United States Court of Appeals

for the Second Circuit

EXHIBITS

ORIGINAL

ONLY COPY AVAILABLE

74-2542

United States Court of Appeals

For the Second Circuit

CHRIS-CRAFT INDUSTRIES, INC.,

Plaintiff-Appellant-Cross-Appellee,

against

PIPER AIRCRAFT CORPORATION, HOWARD PIPER, THOMAS F. PIPER, WILLIAM T. PIPER, JR., BANGOR PUNTA CORPORATION, NICOLAS M. SALGO, DAVID W. WALLACE and THE FIRST BOSTON CORPORATION,

Defendants-Appellees-Cross-Appellants.

FILED JAN 3 1975

EXHIBITS ON APPEAL FROM FINAL JUDGMENT OF UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

VOLUME 3 — Pages 818 to 1208

Counsel of Record Are Listed on Inside of Front Cover

ONLY COPY AVAILABLE

10

Counsel of Record

PAUL, WEISS, RIFKIND, WHARTON & GARRISON
Attorneys for Chris-Craft Industries, Inc.
345 Park Avenue
New York, New York 10022
(212) 644-8000

WEBSTER SHEFFIELD FLEISCHMANN
HITCHCOCK & BROOKFIELD
Attorneys for Bangor Punta Corporation, David W. Wallace and Nicolas M. Salgo
One Rockefeller Plaza
New York, New York 10020
(212) 583-3370

SULLIVAN & CROMWELL
Attorneys for The First Boston Corporation
48 Wall Street
New York, New York 10005
(212) HA 2-8100

CHADBOURNE, PARKE, WHITESIDE & WOLFF
Attorneys for Piper Aircraft Corporation, Howard Piper, Thomas F. Piper and William T. Piper, Jr.
30 Rockefeller Plaza
New York, New York 10020
(212) 541-5800

NOTE REGARDING THE ORGANIZATION OF THE EXHIBITS ON APPEAL

In accordance with a stipulation entered into between the parties, the Exhibits on Appeal are a continuation of the ones submitted to the Court on the prior appeal, Docket No. 72-1064. Those exhibits consisted of two volumes, totalling 817 pages. Therefore, the exhibits on this appeal begin with Volume 3 and page 818.

Copies of the prior volumes of Exhibits on Appeal will be made available to the Court in connection with this appeal.

Also, for convenience, the table of contents to the prior volumes of the Exhibits on Appeal is reprinted herein.

TABLE OF CONTENTS

Damage Trial Exhibits

Plaintiff's		*Page*
154	Resume of Sigmund Wahrsager dated 4/15/74	818
155	Bear, Stearns (Wahrsager) report entitled "Valuation of Chris-Craft, Inc.'s Equity in Piper Aircraft Corp." dated 4/74	819
156	Murray & Reiling report entitled "Valuation of Chris-Craft's Piper Stock: A Summary of Theory and Quantification" dated 3/27/74	876
157	Summary of Chris-Craft's interest expense on cash portion of its investment in Piper and list of prime rates	893
157A	Charts showing breakdown of Chris-Craft's interest expense on cash portion of investment in Piper, 69-2/28/74	895
158	Comparison of Piper's projected v. actual income	902
159	Oppenheimer & Co. (Rosenkranz) report entitled "Report on Damages" dated 3/26/74	904
160	Excerpts from Piper annual reports 1969-73	999
161	Excerpts from Bangor Punta annual reports 69-73	1030
165	Piper Corporate Planning Committee Report dated August 25, 1969	1065

ONLY COPY AVAILABLE

Plaintiff's		*Page*
166	Bangor Punta 9-month report to shareholders for period ended 6/30/69	1086
167	Schedule 13D of Bangor Punta dated 5/16/69	1090
168	Bangor Punta letter to shareholders dated 12/2/69	1094
169	Letter from David Wallace to Leonard Gordon dated 12/4/69	1097
170	Letter from Leonard Gordon to David Wallace dated 11/19/70	1098
171	Letter from David Wallace to Leonard Gordon dated 11/17/70	1100
172	Letter from W. T. Piper Jr. to David Wallace dated 8/18/71 together with 8/20/71 letter from David Wallace to W. T. Piper	1102
173	Letter from Nicolas Salgo to Leonard Gordon dated 2/20/70	1106
174	Memo from Fennelly to Kornfeld, Loyd and Prendergast dated 11/25/69	1108
175	Typed notes of Steven Ross	1109
176	Handwritten notes of Steven Ross	1110
177	Chris-Craft monthly balance sheets for April, May, June and July, 1969	1111
178	Letter from Leonard Gordon to W. T. Piper dated 12/29/69	1115
179	Letter from Leonard Gordon to Nicolas Salgo dated 3/9/70	1117
180	Letter from Leonard Gordon to Pool dated 8/11/70	1118

Defendants'		*Page*
AD	Bellemore file card (From First Trial)	1119
AQ	Fitzgerald Report, dated May 10, 1971 (From First Trial)	1120
BH	Report entitled "Appraisal of Piper Aircraft Corp.'s Stock" by Aubrey Lank	1209
BI	Report entitled "Opinion on Market Value of 697,495 shares of Common Stock of Piper Aircraft Corp." by Donald Gant of Goldman Sachs & Co.	1235
BO–1	Piper by-laws	1267
BQ	Selected Piper Board Minutes	1301
BR	Selected Piper Board Minutes	1357
BS	Selected Piper Board Minutes	1374
BT	Selected Draft Piper Board Minutes	1415
BU	Stipulation re purchases of Piper stock	1436
BV	Letter from Liman to Ryan (10/28/69)	1445
BW	Letter from Ryan to Liman (10/31/69)	1446
BX	Letter from Liman to Ryan (11/3/69)	1448
BY	Letter from Gordon to Chris-Craft's noteholders (4/23/69)	1449
BZ	Letter from Rosenkranz to Ryan (4/25/74)	1451
	Plaintiff's First Trial Exhibit	
111	Report of Douglas L. Bellemore	1487

INDEX TO EXHIBITS

Plaintiffs' Exhibit	Description	Page
2	5/27/69 Bangor Punta letter from Hutchins to Dumaine	1
3	6/16/69 memo - Dumaine of tel. conversation with Hutchins	3
6	9/2/69 Hutchins letter to Dumaine	4
7	Memo by Hutchins dated 8/21/69 on Dead River letterhead	5
8	9/3/69 letter from Hutchins to Casey of Amoskeag	6
15	9/4/69 Casey memo to Dumaine	7
16	Memo by Amoskeag counsel for Dumaine for use if needed	8
17	9/17/69 memo from Reuss	10
18	9/15/69 letter to Dumaine from Hutchins	11
19	9/19/69 letter to Amoskeag from Davidson	13
20	Amoskeag Report as of 12/31/69	14

Plaintiffs' Exhibit	Description	Page
25	Bangor Punta registration statement as filed with the Commission July 18, 1969	23
28	Judgment for permanent injunction filed May 26, 1969 in Securities and Exchange Commission v. Bangor Punta Corporation and Piper Aircraft (D.D.C. Civ. No. 1388-69)	124
35	Value Line merger evaluation service dated June 2, 1969	128
40	Dow Jones broad tape extract dated July 16, 1969	131
41	Typewritten notes of witness Ehrich dated July 16, 1969	132
42	Dow Jones broad tape extract dated January 23, 1969	134
43	Notes of Dow Jones reporter made on January 23, 1969	137
44	Portion of Bangor Punta Executive Committee minutes dated May 6, 1969	139

Plaintiffs' Exhibit	Description	Page
46	Minutes of Bangor Punta Operations September 22, 1969	141
52	May 8, 1969 agreement between certain members of Piper family and Bangor Punta	146
53	Draft of May 8 agreement (undated, commencing "Agreement as of April __, 1969 . . .")	174
54	Draft of May 8 agreement dated April 30, 1969	189
55	Draft of May 8 agreement dated May 2, 1969 with riders attached	210
56	Draft of May 8 agreement dated May 7, 1969	240
57	Letter dated July 18, 1969 from First Boston to William T. Piper, Jr. expressing opinion on value of Bangor Punta general exchange offer	258
58	Letter dated September 5, 1969 from First Boston to David W. Wallace and W.T. Piper, Jr. expressing opinion on value of limited exchange offer.	259

Plaintiff's Exhibit	Description	Page
76	Memorandum dated April 28, 1969 from Wallace to Salgo, Robertson, Flick and Galle	300
77A	Chris-Craft registration statement as filed February 27, 1969	302
77E	Chris-Craft exchange offer prospectus dated May 19, 1969 (Excerpts)	381
77H	Chris-Craft exchange offer prospectus dated July 24, 1969 (Excerpts)	392
78A	Extract from deposition of First Boston by Bayard on June 15, 1970	393
78B	Extract from deposition of Mary P. Bolles on April 24, 1970	401
78C	Extract from deposition of John M. Ferris on February 25, 1971	404
78D	Extract from deposition of Walter C. Jamouneau on April 11, 1969	437
78E	Extract from deposition of First Boston by Laeri on June 10, 1969	445

Plaintiffs' Exhibit	Description	Page
78F	Extract from deposition of First Boston by Miller on July 10, 1969	450
78G	Extract from deposition of First Boston by Miller on February 4, 1970	458
78H	Extract from deposition of Howard Piper on April 15, 1969	472
78I	Extract from deposition of Piper by W.T. Piper, Jr. on May 23, 1969	486
78J	Extract from deposition of Charles W. Pool on April 10, 1969	497
78K	Extract from deposition of Bangor Punta by Wallace on June 6, 1969	504
81	Extract from John Hancock memorandum to files dated October 15, 1969	507
116	Press clippings containing reference to $80 value of Bangor Punta exchange offer	508
117	Piper printing order dated January 21, 1969 for financial statement with printing schedule attached	543

Plaintiffs' Exhibit	Description	Page
120	Telegram dated May 19, 1969 from W.T. Piper, Jr. to Piper shareholders	550
122	Memorandum from Salgo to Hutchins committee dated April 24, 1969	551
125	Memorandum dated April 14, 1969 from Curtis M. Hutchins to Salgo	555
139	Letter dated March 19, 1971 from Mitchell M. Gitin to Judge Pollack with telegram attached dated October 15, 1968 from Chris-Craft to William H. Davidson, President, Harley-Davidson Motor Company	556
140	Extract from deposition of John McGregor Blewer on July 10, 1970	561
141	Extract from deposition of Edward E. Burns on September 16, 1969	569
142	Extract from deposition of Carleton D. Burtt on January 15, 1970	579
143	Extract from deposition of David H. Greene dated June 16, 1970	585

Plantiffs' Exhibit	Description	Page
144	Extract from deposition of John Hawkinson on December 3, 1969	593
145	Extract from deposition of Dean LeBaron on June 16, 1970	600
146	Extract from deposition of Roger Spencer on September 16, 1969	607
147	Extract from deposition of Muriel Siebert on June 7, 1970	617
148	Deposition transcript of Robert H. Potts on March 31, 1970	627
149	Memorandum dated January 28, 1969 by P.T. Walker, Chase Manhattan Bank, to credit files	687
150	Excerpts from prior testimony of Hutchins	688
151	Excerpts from prior testimony of Reames	692
Defendants' Exhibit		
D	Chris-Craft draft tender offer to purchase stock of Piper	697

Defendants' Exhibit	Description	Page
E	Chris-Craft tender offer to purchase stock of Piper	709
F	Chris-Craft's Schedule 13D dated January 22, 1969	711
T	Handwritten notes of Chris-Craft officer concerning debt restrictions	718
V	Memorandum dated March 30, 1969 by Timothy P. Reames	720
W	Memorandum dated July 2, 1969 by Timothy P. Reames	724
X	Memorandum dated August 29, 1969 by John Flick	728
Y	Memorandum dated September 10, 1969 by C. P. Priddle	729
Z	Projection of selling price, tax basis and profit or (loss) on sale of net assets	732
AA	Memorandum dated August 7, 1969 by Timothy P. Reames	737
AE-2	Charts comparing Chris-Craft and Piper	738
AE-3	Bangor Punta exchange offer evaluation material of First Boston	742

Defendants' Exhibit	Description	Page
AP	Extract from deposition of Hutchins	792
AQ	Summary and appendicies from Opinion of Drexel Firestone, Incorporated	796
AR	Excerpts from Chris-Craft prospectus dated December 10, 1968	800
AS	Analysis and computations required under Section 6.1(a)(ii) of Chris-Craft Note Purchase Agreements	801
AT	Chris-Craft memorandum concerning Investment Company Act status as of February 7, 1969	804
AY	Chris-Craft short-term investments as of February 28, 1969	805
AZ	Chris-Craft short-term investments as of January 24, 1969	807
BC	Letter from Gordon to American National Insurance Company, et al. dated December 27, 1968	809
BF	Excerpts from Chris-Craft Note Purchase Agreement dated December 20, 1965	813

818

Px 154 id
sid

SIGMUND WAHRSAGER

700 Park Avenue
New York, N.Y. 10021

Personal:

Born: October 26, 1925

Education:

Princeton University 1947 A.B. (Cum Laude)
New York University Graduate School of Business Administration
1950 M.B.A.

Military Service:

United States Navy January 1944 - June 1946, Lt. j.g.

Career Summary:

December 1947 - March 1951	Prudential Insurance Co. America Newark Cost Allocation Departmen
March 1951 - September 1953	Kuhn, Loeb & Co. - Security Analy
September 1953 to Date	Bear, Stearns & Co., Partner sinc May 1, 1958 with responsibility for Investment Banking. Member o firm's Executive Committee since May 1970

Societies:

New York Society of Security Analysts
Beta Gamma Sigma

Directorships:

Abe Schrader & Co.	Director
Collegetown, Inc.	Director
DHJ Industries, Inc.	Director
Danbury River Properties, Inc.	Director and President
Electric Regulator Corporation	Director
Florida Water & Utilities Co.	Director
Keith Clark, Inc.	Director
Midland Glass Company, Inc.	Director and Member of Executive Committee
Pergamon Press, Inc.	Director and Member of Executive Committee
Sonderling Broadcasting Corp.	Director and Member of Executive Committee
Loewengart Corporation	Director

4/15/74

VALUATION OF CHRIS-CRAFT, INC.'S EQUITY IN PIPER AIRCRAFT CORPORATION

April 1974

INTRODUCTION AND CONCLUSION

We have been asked to value the holdings of Chris-Craft Industries, Inc. ("Chris-Craft") in Piper Aircraft Corporation ("Piper") (a) on the assumption that Chris-Craft held 41% of Piper compared to 31% in the hands of Bangor Punta Corporation ("Bangor Punta") and (b) on the assumption that Chris-Craft held 42% with 51% owned by Bangor Punta.

In this connection, we have determined the value of a 100 share lot of Piper on August 7, 1969 and September 5, 1969. We have determined the premium applicable to a dominant position in early August 1969 and the statistical probability of the 41% holder gaining control. We have also determined the discount applicable to a 41% minority interest in a public company controlled by another company in early September 1969, i.e., the discount at which such interest could have been sold, obtaining the maximum return for the seller.

We have computed that the market value of a 100 share lot of Piper would have been $51½ as of August 7, 1969 and $52 per share as of September 5, 1969, absent the contest for control. We have determined that the value of the dominant position in August 1969 was at least $72 per share. After Bangor Punta obtained a majority position, a private placement of Chris-Craft's block would not have been possible. Thus we determined that the disposition of the

minority interest would have been best accomplished by a public offering. If such public offering could have been effected at the end of November 1969, we estimated that the net price would have been approximately $33 per share and if the offering had taken place on January 31, 1970, the net price would have been approximately $27 per share.

VALUATION OF 100 SHARE LOT OF PIPER

Summary of Price Estimates

In determining our valuation of $52 per share of Chris-Craft's Piper shares, our first approach has been to determine the value of a 100 share lot. We have attempted to compute this by analyzing the historical price action of the Piper shares from 1960 through 1968, the published quarterly earnings of Piper, the book value of Piper, the Standard & Poor's Daily Stock Price Index for 425 Industrials (the "S&P Index" or "Index"), the earnings applicable to the Index, the price history of Cessna Aircraft Company ("Cessna") and the quarterly earnings of Cessna.

We have used five alternative methods for calculating the value of Piper:

a) comparison of the price/earnings ratio of the S&P Index and the price/earnings ratio of Piper;

b) comparison of the price/earnings ratio of the S&P Index with a pro forma price/earnings ratio of Piper, giving effect both to reported earnings per share and pro forma earnings per share assuming constant return on equity;

c) comparison of Cessna price per share and Piper price per share;

d) comparison of Cessna price/earnings ratio and pro forma price/earnings ratio for Piper; and

e) estimated present value of Piper based on discounted future value and assuming average historical return on equity.

Our results are confirmed by the fact that the values derived by each method for the respective dates, based on a 100 share lot, fall within a narrow range, as shown in the table below:

	(a)	(b)	(c)	(d)	(e)
August 7, 1969	53½	51½	52	51	50
September 5, 1969	53½	51½	54	52½	50

If the data for the years 1960 through 1968 is analyzed giving equal weight to each period, we would arrive at a figure of about $45 per share in early August and in early September 1969. However, we believe that it is necessary to give major weight to the 1966-1968 period. Our analysis of the data indicates that the price of the Piper shares relative to the market was at a higher level during such period, reflecting a generally favorable market atmosphere and a more generous valuation accorded to secondary issues. Therefore, we calculate that the value of Piper was about $52 per share in early August and in early September 1969.

Basic Data

In the attached Appendix A, we show, by months, the price range and closing price of Piper. We also show the latest running 12-months earnings per share which had been published as of the end of each month, and the price/earnings ratio based on the running 12-months earnings and the monthly closing price.

In Appendix B, we show the monthly price range of the S&P Index and its closing price. We also show the quarterly earnings for such Index as published by Standard & Poor's and have interpolated monthly earnings. The price/earnings ratio is calculated on the assumption that the earnings for each month were known by the end of the second following month.

In Appendix C, we show data for Cessna comparable to the data for Piper in Appendix A. We have not included data on Beech Aircraft Corporation, as its record showed little correlation with Piper, and as a significant portion of its business is in the defense sector.

a. Comparison of Price/Earnings Ratio of Piper and S&P Index

In Appendix D, we show the price/earnings ratio of Piper as a percentage of the price/earnings ratio of the S&P Index. Over the period from 1960 through 1968, the mean of the percentage was 105%.

and the median was 94%. However, it should be noted that the percentage is high in years of low earnings and vice versa. If we eliminate periods in which the running 12 months earnings are more than 25% above or below the running 12 months earnings as of June 30, 1969, the mean is 95%. As of August 7, 1969, the Index was 103.09 and its price/earnings ratio was 16.5; as of September 7, 1969, the Index was 102.88 and its P/E ratio was 16.5. Based on the running 12 months earnings of $2.86 per share reported by Piper through the quarter ended June 1969 (as published in July 1969), and using 95% of the P/E Index, we calculate a figure of $45 per share as of August 7, 1969 and September 5, 1969.

However, in analyzing this data, we observed that the characteristics of the 1963-1965 period were distinctly different from the 1966-1968 period. In Chart A we plot, for the 1963-1965 period, (i) the Piper price/earnings ratio divided by the price/earnings ratio of the Index as a function of (ii) the earnings per share of Piper (adjusted for the 3-for-2 stock split in November 1964). In Chart B we show comparable data for the 1966-1968 period. During the earlier period, when earnings were in a distinct uptrend, the relative P/E ratio was almost independent of the level of the earnings. In the 1966-1968 period, when the earnings of Piper were showing a distinct volatility, it can be noted that Piper sold at a higher P/E ratio relative to the S&P Index when Piper's earnings were lower, and at a lower P/E ratio when its earnings

were higher. Specifically, our analysis revealed that the P/E ratio of Piper relative to the P/E ratio of the S&P Index correlated very highly over this 36-month period with the latest reported 12-months earnings. This correlation, which is show graphically in Chart B, was expressed in a computer-fit equation and employed in calculating a "100 share" value of Piper at the appropriate dates. The value of Piper, based on the fitted least-square equation for the 1966-1968 period, is calculated to be $53½ as of August 7, 1969 and September 5, 1969.

b. Valuation Giving Effect to Hypothetical Return on Equity

In reviewing the price/earnings ratio of Piper (as shown in Appendix A) in relation to the fluctuations in earnings, it can be noted that the P/E ratio tends to rise to high levels when earnings are depressed and tends to fall to a relatively low level when earnings are near a peak. This can be attributed to the fact that, in valuing the shares of Piper, the market does not look solely to the most recent reported earnings, but also gives effect to what may be described as earnings power of Piper. In effect, the value of the shares appears to be dependent on an earnings level which is somewhere between reported earnings and some concept of "normal" earnings.

To derive a pro forma P/E ratio which gives recognition to this relationship, we have calculated a figure for pro forma earnings

on the assumption that the Piper quarterly report for each period showed a return of 20% on the book value at the beginning of the quarter.* The pro forma earnings per share on a running 12 months basis are presented in Appendix E.

We also show in Appendix E the monthly pro forma P/E ratio in which the denominator is the arithmetic mean of (i) the pro forma earnings per share at a 20% return and (ii) the earnings which were actually reported. The final column of Appendix E shows this pro forma P/E ratio as a percentage of the P/E ratio of the Index.

It will be noted that there is markedly less volatility in the ratio of the P/E's in Appendix E than is shown in the data in Appendix D. The mean of the percentage of the 1960-1968 period is 81% and the median is 79%. These numbers would give a figure of $48 per share as of August 7, 1969 and September 5, 1969.

Again it can be noted that the percentage was higher in the later years. For the 1966-1968 period the mean was 87% and the

---

*The maximum return on equity during any year in the 1960-1968 period was 24.4% in fiscal 1966; the return was over 20% in four of the nine years. Had a somewhat higher or lower return been assumed, the conclusion would not have been materially affected.

median 86%. If we calculate a 60-month weighted average, giving a weight of 60 to December 1968, declining to 1 in January 1964, the figure is 85%. Using a basis of 85% of the multiple of the S&P Index, we calculate a value of $51½ per share of Piper as of August 7, 1969 and September 5, 1969.

c. Based on Cessna Price per Share

In Appendix F we show various comparisons of Piper and Cessna data. In the first column we show the price per share of Piper (adjusted for the 1964 stock split) as a percentage of the price of Cessna (adjusted for the February 1960 3-for-1 split, but not for the January 1969 2-for-1 split). The relative prices of the two shares show a meaningful correlation over the years. The mean of the ratio over the 1960-1968 period is 108% and the median is 110%. However, the percentage had declined steadily from a peak in late 1964 to a mean of 106% in 1968. Extrapolating the downtrend in the percentage, which is shown in Chart C, we would project a figure of 100% for 1969, i.e., 200% giving effect to Cessna's 2-for-1 split in January 1969. On August 7, 1969, Cessna closed at $26½, and on September 5, 1969, it closed at $27-3/8, as compared with the respective prior month-end closings of $26-1/8 and $26-5/8. On this basis, we calculate a value per share of Piper of $52 on August 7, 1969 and of $54 per share on September 5, 1969.

d. Based on Cessna Price/Earnings Ratio

Appendix F also shows the P/E of Piper as a percentage of the P/E of Cessna. This showed an extreme amount of volatility, particularly when Piper earnings were in the lower part of the historical range. As there is a lack of correlation shown in this data, we do not believe that a meaningful estimate can be based on these numbers.

We are able to derive a more consistent and meaningful set of data by using the pro forma earnings presented in Appendix E. We have calculated, in Appendix F, a ratio between the pro forma P/E of Piper shown in Appendix E and the actual P/E of Cessna. In this case, the mean and median for the 1966-1968 period are 116% and for the 1960-1968 period the mean was 103% and the median 104%. Again, as in the analyses discussed earlier, the 1966-1968 period shows a meaningful shift from the preceding years.

As of early August 1969, the price/earnings ratio of Cessna was 12.0 times; in early September 12.4 times. Thus, based on the 1960-1968 period, the figures for Piper were $45½ on August 7, 1969 and $47 on September 5, 1969.

Based on the 1966-1968 data, our calculations of value are $51 on August 7, 1969 and $52½ on September 5, 1969.

e. Return on Investment Method

We have computed the average return on equity over the nine-year period 1960 through 1968 and determined it to be 16.0%. We have also analyzed Piper's dividend policy during this period and determined the average payout to be 45% of earnings. Commencing at the end of the June 30, 1969 quarter, we projected Piper's earnings forward seven years on the basis that its return on equity and its dividend payout approximates the historical average. Under this method, we have computed that the earnings on June 30, 1976 would have been $6.08 per share. Applying to these projected earnings the normal P/E multiple of 17 computed for Piper during the 1960-1968 period, and discounting this value, plus the projected dividend stream during the period, at 14% per annum, we arrive at a present value per share of Piper of $50 as of August 7, 1969 and September 5, 1969.

VALUE OF DOMINANT POSITION AND PROBABILITY OF GAINING CONTROL

Probability of Gaining Control

In order to determine the value of Chris-Craft's 41% interest while the question of control remained unresolved, it is necessary to consider the probability of this interest gaining control, i.e., if one holder held 41% and the second largest shareholder held 31%. We assume that, barring any improper acts, the probability of any outside shareholder selling his shares or giving his vote in support of any large shareholder was 50%. We also assume that the 4.8% held by Fund of Funds Proprietary Funds Ltd. would not be split. Assuming such random distribution, we calculate that the statistical probability of the holder of the 41% block obtaining control was in excess of 99%.

Premium for Dominant Position

In Appendix G, we present data on uncontested cash tender offers during 1968 and the first half of 1969. It will be noted that most of the tender offers were at prices 30% or more above the current market price of the target company prior to the tender offer. Among the unsuccessful tender offers were the bids by: Hughes Tool for 42% of American Broadcasting Companies at a premium of 27%; Seeburg for 54.7% of Raybestos-Manhattan at a premium of 37%; University

Computing for 10% of Western Union Telegraph at a premium of 30%; Fidelity Corporation for 45% of Monumental Life Insurance at a premium of 44%; and Technology Inc. for 19% of API Instruments at a premium of 43%.

Bear, Stearns & Co. was a dealer manager for the successful tender offer by State Mutual Life Assurance for Hanover Insurance, where a 48% premium was paid for 25% of Hanover.

In Appendix H, data is presented on contested bids during the same period of time. Of the 12 cases studied, 5 of them showed premiums of 100% or more and 3 others were in excess of 75%.

It is our judgment that the contested offers are a more meaningful standard by which to judge the value of a dominant position. In many uncontested deals, the prior agreement of management to the terms of the bid may have a material effect upon the success of the bid.

It is our judgment, based on the review of the data presented in Appendices G and H and upon our experience as an investment banker in connection with tender offers and mergers, that the premium for a dominant position is not less than 40%, and that an independent third party interested in controlling Piper would have been willing to pay a premium of 40%.

DISCOUNT FOR ILLIQUIDITY OF MINORITY POSITION

We have assumed that, Bangor Punta having obtained control, we were approached on September 5, 1969 by the management of Chris-Craft with a request that we market their entire stock position in Piper at the highest price possible within a reasonable time period. Other than a sale to Bangor Punta, there would have been two alternative possibilities available to Chris-Craft. One would be to sell its position privately and the other would be to register the shares and proceed with a public offering.

Assuming that control of Piper were in the hands of another party, we do not believe it would have been possible to sell the block owned by Chris-Craft to a single large investor. We would have considered the possibility of selling the shares to several institutional investors who were buyers of "letter stock," i.e., restricted stock, the purchase of which was subject to an investment letter indicating that the purchaser was not buying such shares with the intent of resale. However, the purchases of letter stock had been adversely influenced by the fact that Mates Fund, a large purchaser of letter stock, had been forced

to suspend redemptions early in 1969. Examination of the portfolios of the investment companies formed for the purpose of puchasing letter stock indicates that the typical investments in a single security were generally of the magnitude of $1,500,000 or less. We do not believe that the letter stock market in 1969 would have been able to absorb an offering of 697,495 shares of Piper. It is also our judgment that, if a portion of such shares had been sold as letter stock, a discount of approximately 50% would have been required.

Thus we would have recommended that a registered public offering was the most desirable course of action for Chris-Craft. We would have advised Chris-Craft that the discount applicable to the sale would have been composed of three factors:

(1) depressant effect on the market for Piper on the announcement of the sale of a large number of shares;

(2) a public offering price at a discount below the then-current market; and

(3) underwriting costs and related expenses.

It is our judgment that the announcement of such a public offering would have reduced the price of the shares by approximately 10% to 15%. We would have expected to price the offering at approximately

5% to 8% below the closing price on the day prior to the public offering. The net amount received by Chris-Craft would have been reduced by an underwriting spread of 8% to 10% and expenses relating to the offer (legal fees, printing, etc.) of $100,000 - $200,000. Thus, on an over-all basis, we would have expected the net price per share obtainable in the public offering to be approximately 25% below the expected market value for the shares at a given date.

It would, of course, not have been possible to offer the shares publicly until after the filing of a registration statement with the SEC and the review of such registration statement by the SEC. Also it is normal underwriting practice not to offer shares based on 9-months unaudited financial statements, but to defer such offerings until year-end audited

The preparation of a registration statement would have required a minimum of two weeks and probably would have required a somewhat longer period of time. It is unlikely that the review of the registration statement would have been completed by the SEC before late November; given the extensive backlog at the SEC in late 1969, it might have been necessary to delay such offering until January 1970, or until after such later date on which audited financial statements were available.

It therefore becomes necessary to determine the value of Piper as of the end of November 1969 and the end of January 1970.

These values are calculated in the Table below based on the methods presented earlier in this memorandum, and assuming that earnings for fiscal 1969 were known. Neither Piper nor Cessna had released their earnings for the first quarter of fiscal 1970 by the end of January. As Cessna's earnings for the December quarter, which were announced in February, were down by $.06 per share and Piper's earnings were down more substantially, a lower value for Piper in January 1970 would have been computed had the earnings been available.

Table

	Nov. 30, 1969	Jan. 31, 1970
S&P: Index	103.42	93.44
P/E	16.4x	15.0x
Cessna: Market	$23-5/8	17
P/E	10.5x	7.6x
Value of Piper:		
Method (a)	$53-1/2	$49
Method (b)	53-1/2	48
Method (c)	47	34
Method (d)	45-1/2	33
Weighted Average	49	40
Less 25%	-	- 10
	$36-3/4	$30

However, the above Table assumes that there were no material changes which might have affected the valuation of Piper. It also assumes that the annual report had been published. In fact, the final

auditors' certificate was dated May 1, 1970, although the audit of the financial data other than the final footnote had been completed as of October 24, 1970 (see Footnote 8 in the 1969 annual report of Piper). The footnote in question disclosed a dispute among the directors of Piper as to the amount of the provision necessary with respect to "modification of certain aircraft in the hands of customers."

If Chris-Craft were engaged in attempting to sell its minority position, we would presume that the Chris-Craft and Bangor Punta representatives on the Piper board would have cooperated in the preparation of a mutually agreeable wording of the footnote, as the problems which gave rise to the prospective retrofit program would have been fully disclosed in the prospectus. It is our judgment that such disclosure would have had adverse effect upon the price of Piper shares; it is difficult to quantify such effect, but we believe that it would have been at least 5% and possibly as much as 25%. For this reason, we would lower our estimates in the above Table by approximately 10%.

Thus, taking into account the reduction in price resulting from disclosure mentioned above of the announcement of the sale of a substantial block of stock, the pricing of such block below the market, and the cost of underwriting, we estimate that the price at which such block of stock might have been sold at November 30, 1969 was approximately $33 and on January 31, 1970 approximately $27.

In determining the above values, no consideration was given to the sharp downturn in Piper's earnings which commenced in the quarter ended December 31, 1969. Had information with respect to the earnings downturn been available to the underwriters and to the public, the price of the shares would have been significantly lower. Not only would the estimated values set forth in the Table above have been materially lowered, but the prospective market response to a public offering would, at a minimum, have necessitated a larger discount, and the adverse earnings development might well have made the underwriting of a substantial block of stock impossible.

APPENDIX A

Piper Aircraft Corporation: Price, Earnings Data

		Market Price (1)(2) High	Low	Close	Latest Reported 12-Months Earnings Per Share (1)(3)	Month End Price/Earnings Ratio
1960	January	52-3/4	45-1/2	45-1/2	3.00	15.17
	February	57	43-3/4	55-5/8	3.18	17.49
	March	59-7/8	48-3/4	57	3.18	17.92
	April	66	57-1/4	57-1/4	3.39	16.89
	May	64-7/8	55-1/2	63-7/8	3.39	18.84
	June	64-5/8	55-1/4	62	3.39	18.29
	July	65-1/8	56-1/2	60-1/8	3.36	17.89
	August	71-1/4	59-1/4	71-1/4	3.36	21.21
	September	73	58-3/4	61	3.36	18.15
	October	61-1/2	47-1/2	48	3.36	14.29
	November	56-3/8	47-1/2	52	3.50	14.86
	December	54-1/2	48-1/4	49	3.50	14.00
1961	January	53-1/4	42-3/8	50-3/8	3.29	15.31
	February	58-1/2	50-3/8	57	2.75	20.73
	March	56-7/8	50-5/8	54-3/4	2.75	19.91
	April	56	50-1/2	55-5/8	2.75	20.23
	May	60	55	57-1/4	2.05	27.93
	June	60-3/8	44	45	2.05	21.95
	July	51-1/4	45-1/2	50-5/8	1.32	38.35
	August	55	50	51-1/8	1.32	38.73
	September	52-1/2	45	46-3/4	1.32	35.42
	October	46-1/2	41	45-1/4	1.32	34.28
	November	46	40-1/8	42-1/4	1.32	32.01
	December	47-1/4	38	40	.80	50.00
1962	January	41-1/2	37-1/2	39	.65	60.00
	February	41-1/2	37-1/2	37-1/2	.65	57.69
	March	40-1/8	35-1/8	37-1/4	.65	57.31
	April	37-1/4	35-1/4	36-3/4	.87	42.24
	May	37-3/4	25-1/8	28-1/2	.87	32.76
	June	28-5/8	18-7/8	22	.87	25.29
	July	24-1/8	20-1/4	21-3/4	1.35	16.11
	August	26-3/4	23-1/2	24-3/4	1.35	18.33
	September	28	23-1/2	24-1/4	1.35	17.96
	October	26	19-7/8	21-1/4	1.35	15.74
	November	30	21-1/8	29-5/8	1.65	17.95
	December	32-1/2	28-5/8	29-7/8	1.65	18.11

APPENDIX A (CONTINUED)

		Market Price (1)(2)			Latest Reported 12-Months Earnings Per Share (1)(3)	Month End Price/Earnings Ratio
		High	Low	Close		
1963	January	34	29-3/8	33	1.98	16.67
	February	33-1/4	29-1/8	29-1/2	1.98	14.90
	March	31	29-1/8	29-7/8	1.98	15.09
	April	34-1/2	29-7/8	33-5/8	1.98	16.98
	May	34-5/8	32-1/4	32-3/8	1.98	16.35
	June	32-3/4	27-5/8	27-7/8	1.98	14.08
	July	29-3/8	26-3/4	28-3/4	1.97	14.59
	August	30-1/8	27-1/2	29	1.97	14.72
	September	32-7/8	29-1/8	30-1/4	1.97	15.36
	October	38-3/8	30-1/8	37-1/8	2.44	15.22
	November	39-5/8	35-1/8	37	2.44	15.16
	December	41-7/8	37-1/4	38-1/8	2.44	15.63
1964	January	47-5/8	38-5/8	44-1/2	2.83	15.72
	February	47-7/8	44	46	2.83	16.25
	March	49-5/8	45-1/4	49-1/4	2.83	17.40
	April	52-3/8	46	46	3.23	14.24
	May	52-3/4	46-1/8	51-3/4	3.23	16.02
	June	54-3/8	47-1/4	52-1/4	3.23	16.18
	July	60-5/8	52-3/8	59-5/8	4.15	14.37
	August	64-1/8	55	63-1/8	4.15	15.21
	September	65-1/2	59-7/8	59-7/8	4.15	14.43
	October	65	58-3/4	62	4.15	14.94
	November (2)	44-1/2	41	41	2.77	14.80
	December	42	35-1/4	39-5/8	2.77	14.31
1965	January	44-1/2	38-3/4	44-3/8	3.12	14.22
	February	47	42-5/8	46-1/8	3.12	14.78
	March	46-3/8	42-1/4	42-3/4	3.12	13.70
	April	47-1/8	42-1/2	46-1/8	3.45	13.37
	May	47-1/8	43-3/4	44	3.45	12.75
	June	44	33-5/8	38-1/4	3.45	11.09
	July	39-1/2	35-3/8	37-1/2	3.45	10.87
	August	42-7/8	37-3/4	41-1/2	3.52	11.79
	September	47-3/4	41	44-7/8	3.52	12.75
	October	48-1/4	43	48-1/4	3.52	13.71
	November	57-1/4	48-5/8	55-1/2	3.82	14.53
	December	59-1/4	51-1/2	55-1/8	3.82	14.43

APPENDIX A (CONTINUED)

		Market Price (1)(2)			Latest Reported 12-Months Earnings Per Share (1)(3)	Price/Earnings Ratio
		High	Low	Close		
1966	January	60-1/8	54	60	3.56	16.85
	February	64-1/2	58	63-1/4	3.56	17.77
	March	64-3/4	56-3/8	59-3/4	3.56	16.78
	April	69-3/4	60-1/8	67	3.77	17.77
	May	67-1/2	53	58-5/8	3.77	15.55
	June	62-1/4	56-3/4	59	3.77	15.65
	July	61-3/4	52-1/4	52-1/4	4.07	12.84
	August	51-7/8	41-3/4	44	4.07	10.81
	September	44-1/4	37-3/4	38-1/8	4.07	9.37
	October	39-7/8	32-3/4	38-3/8	4.07	9.43
	November	45	37-1/2	41-1/4	4.23	9.75
	December	42-3/4	39	40	4.23	9.46
1967	January	52	39-1/2	50-1/4	4.24	11.85
	February	52	44-3/4	46-5/8	4.24	11.00
	March	52	43-5/8	44-3/8	4.24	10.47
	April	49	43	49	4.24	11.56
	May	54-5/8	47-3/8	52-1/2	3.63	14.46
	June	56-1/2	48-3/8	49	3.63	13.50
	July	54-1/4	48-3/8	52-3/4	2.68	19.68
	August	54-5/8	51-5/8	52-3/8	2.68	19.54
	September	56-1/4	51-3/4	55-1/2	2.68	20.71
	October	56	50-3/4	51	2.68	19.03
	November	50	44-1/2	48-1/4	1.83	26.37
	December	52-3/4	48	52-1/2	1.83	28.69
1968	January	53-3/8	50-7/8	51-1/8	2.00	25.56
	February	54-1/2	50-1/4	50-1/4	2.00	25.13
	March	50-1/4	48	48-3/4	2.00	24.38
	April	63-3/4	49-1/8	62-5/8	2.43	25.77
	May	65-3/4	59	65-3/4	2.43	27.06
	June	72-1/4	64-1/8	64-3/8	2.43	26.49
	July	65-3/8	56	56	2.32	24.14
	August	56-1/4	51	55-5/8	2.32	23.98
	September	58-1/2	51	51-3/8	2.32	22.14
	October	55-7/8	5 -3/4	52-3/4	2.36	22.35
	November	54-1/2	51-3/8	53	2.36	22.46
	December	55-5/8	51-1/4	53-1/4	2.36	22.56

APPENDIX A (CONTINUED)

		Market Price (1)(2)			Latest Reported 12-Months Earnings Per Share (1)(3)	Month End Price/Earnings Ratio
		High	Low	Close		
1969	January	64-1/4	50-7/8	60-1/8	2.14	28.10
	February	72	58-7/8	69	2.14	32.24
	March	73-3/4	68-1/8	69-1/4	2.14	32.36
	April	68-3/4	65	67-5/8	2.36	28.65
	May	79	68	75	2.36	31.78
	June	74-1/2	62-1/4	62-1/4	2.36	26.38
	July	73-1/4	62	65-3/4	2.86	22.99
	August	81	61-1/2	75	2.86	26.22
	September	63	55	55	2.77	19.86
	October	55	50	52-1/2	2.77	18.95
	November	52	45	46-1/2 (4)	2.77	16.79
	December	45-1/2	42	45-1/2 (4)	2.77	16.43
1970	January	47	45	46 (4)	2.77	16.61
	February	45-1/2	42	43-1/2 (4)	2.77	15.70
	March	42	34	37-1/2 (4)	2.99	12.54
	April	25-1/4	21	20 (4)	2.99	6.69
	May	18	12	12	2.16	5.56
	June	17	12-1/4	14-3/4 (4)	2.16	6.83

---

(1) Source: Standard & Poor's Monthly Stock Guide through July 1969.

(2) Source: Monthly Bank and Quotation Record subsequent to July 1969.

(3) Source: Moody's Industrial News Reports subsequent to July 1969.

(4) Average of bid and asked prices on last business day of month.

APPENDIX B

Standard & Poor's
Daily Stock Price Index for 425 Industrials

		Index (1)			Running 12-Months Earnings (2)	Price/Earnings Ratio (3)
		High	Low	Close		
1960	January	65.02	59.43	59.43	3.53	16.74
	February	60.81	58.36	59.97	3.52	16.99
	March	59.83	57.00	59.02	3.52	16.72
	April	60.45	57.85	57.85	3.47	16.43
	May	59.53	57.59	59.50	3.42	16.90
	June	61.95	59.57	60.52	3.37	17.44
	July	61.00	57.40	58.96	3.38	17.24
	August	61.67	58.03	60.37	3.39	17.81
	September	60.51	55.52	56.70	3.39	16.78
	October	58.15	55.54	56.58	3.39	16.69
	November	59.71	57.22	58.87	3.39	17.37
	December	61.49	58.58	61.49	3.39	18.14
1961	January	65.61	60.87	65.38	3.33	19.29
	February	67.08	64.54	67.08	3.27	19.79
	March	68.78	67.06	68.78	3.22	20.65
	April	70.63	68.10	69.07	3.21	21.12
	May	71.25	68.90	70.46	3.20	21.88
	June	71.05	68.22	68.40	3.18	21.31
	July	70.65	68.00	70.65	3.19	22.08
	August	72.38	70.89	71.78	3.20	22.57
	September	72.27	69.17	70.25	3.21	22.02
	October	72.08	70.15	72.08	3.26	22.53
	November	75.60	72.20	75.08	3.31	23.39
	December	76.69	75.02	75.72	3.37	23.23
1962	January	75.22	71.68	72.77	3.43	21.98
	February	74.78	73.21	73.89	3.49	21.93
	March	75.10	73.36	73.36	3.55	21.39
	April	73.16	68.58	68.58	3.59	19.65
	May	70.13	58.57	62.69	3.63	17.66
	June	62.37	54.80	57.34	3.67	15.97
	July	61.03	58.48	61.03	3.69	16.81
	August	62.67	60.02	61.90	3.71	16.87
	September	61.90	58.22	58.80	3.73	15.93
	October	59.80	55.70	59.09	3.78	15.93
	November	65.44	59.78	65.26	3.83	17.50
	December	66.09	64.89	66.00	3.87	17.46

APPENDIX B (Continued)

		Index (1)			Running 12-Months Earnings (2)	Price/Earnings Ratio (3)
		High	Low	Close		
1963	January	69.24	65.48	69.21	3.88	18.07
	February	69.54	67.14	67.14	3.89	17.35
	March	69.83	66.99	69.71	3.91	17.97
	April	73.29	70.02	73.29	3.95	18.84
	May	74.35	72.89	74.35	3.99	19.02
	June	74.25	72.43	72.76	4.03	18.42
	July	73.74	71.16	72.48	4.07	18.17
	August	76.09	72.41	76.09	4.11	18.88
	September	77.22	75.47	75.47	4.16	18.54
	October	78.87	76.06	78.32	4.19	19.06
	November	78.11	75.30	77.43	4.22	18.61
	December	79.25	77.85	79.25	4.24	18.91
1964	January	81.58	79.74	81.58	4.30	19.33
	February	82.52	81.21	82.42	4.36	19.44
	March	84.33	82.63	83.87	4.42	19.50
	April	85.60	84.16	84.41	4.48	19.36
	May	86.36	85.21	85.37	4.54	19.31
	June	86.66	83.33	86.66	4.59	19.34
	July	89.05	87.30	88.01	4.64	19.39
	August	87.79	85.91	86.52	4.69	18.85
	September	89.23	86.92	89.12	4.75	19.21
	October	90.22	88.99	89.72	4.78	19.13
	November	91.29	89.23	89.23	4.81	18.79
	December	89.62	87.83	89.62	4.83	18.75
1965	January	92.57	89.06	92.57	4.88	19.25
	February	92.64	90.29	92.46	4.93	19.14
	March	92.37	90.83	90.98	4.97	18.64
	April	94.44	91.18	94.44	5.03	19.16
	May	95.79	93.16	93.82	5.09	18.88
	June	93.01	86.43	89.12	5.15	17.72
	July	90.95	88.76	90.28	5.20	17.74
	August	92.51	90.49	92.45	5.25	17.95
	September	96.36	92.43	95.61	5.29	18.39
	October	98.47	95.54	98.36	5.36	18.74
	November	98.55	97.47	97.47	5.43	18.43
	December	98.47	96.37	98.47	5.51	18.37

APPENDIX B (Continued)

		Index (1)			Running 12-Months Earnings (2)	Price/Earnings Ratio (3)
		High	Low	Close		
1966	January	100.26	98.19	99.19	5.56	18.27
	February	100.60	97.18	97.62	5.61	17.72
	March	96.38	93.35	95.51	5.67	17.18
	April	99.09	96.31	97.59	5.71	17.40
	May	97.41	89.35	92.15	5.75	16.25
	June	93.31	90.72	90.72	5.79	15.89
	July	93.92	89.45	89.45	5.81	15.56
	August	89.95	79.77	82.65	5.83	14.27
	September	85.59	81.23	81.65	5.84	14.05
	October	85.25	77.89	85.15	5.86	14.61
	November	87.61	84.62	85.57	5.88	14.41
	December	88.46	85.18	85.24	5.89	14.55
1967	January	92.38	85.31	92.35	5.85	15.71
	February	94.38	92.21	92.77	5.81	15.75
	March	97.68	93.84	96.71	5.76	16.53
	April	101.16	94.39	101.16	5.72	17.41
	May	101.84	95.73	95.73	5.68	16.62
	June	99.95	85.06	97.71	5.63	17.08
	July	102.39	98.01	102.39	5.63	18.03
	August	103.60	100.02	101.16	5.62	17.97
	September	106.08	101.17	105.05	5.62	18.66
	October	106.15	102.44	102.44	5.63	18.23
	November	102.91	99.25	102.36	5.64	18.21
	December	105.11	102.95	105.11	5.66	18.67
1968	January	104.92	100.00	100.00	5.70	17.73
	February	100.31	96.40	96.81	5.74	17.10
	March	98.20	95.05	98.20	5.78	17.23
	April	106.73	100.82	106.73	5.83	18.59
	May	108.25	105.31	107.97	5.88	18.68
	June	111.28	108.31	108.31	5.93	18.58
	July	111.54	106.20	106.31	5.97	18.08
	August	107.78	105.07	107.65	6.00	18.15
	September	112.04	108.19	112.01	6.03	18.76
	October	114.70	112.18	112.86	6.07	18.81
	November	118.03	112.44	118.03	6.11	19.57
	December	117.79	112.98	113.02	6.15	18.62

APPENDIX B (CONTINUED)

		Index (1)			Running 12-Months Earnings (2)	Price/Earnings Ratio (3)
		High	Low	Close		
1969	January	113.19	109.21	111.79	6.18	18.30
	February	112.66	106.36	106.64	6.21	17.34
	March	110.91	106.69	110.91	6.23	17.95
	April	113.50	109.08	113.50	6.24	18.28
	May	116.24	113.05	113.29	6.25	18.18
	June	112.70	105.44	107.06	6.25	17.16
	July	109.30	97.75	100.48	6.27	16.08
	August	105.46	101.59	105.01	6.29	16.80
	September	105.34	101.32	102.49	6.30	16.35
	October	107.85	101.85	106.86	6.26	16.99
	November	108.12	102.39	103.42	6.22	16.42
	December	102.76	98.58	101.49	6.17	16.21
1970	January	102.87	93.44	93.44	6.11	15.02
	February	98.01	94.21	94.21	6.05	15.27
	March	98.71	95.02	95.02	6.00	15.55
	April	98.55	87.75	87.75	5.96	14.50
	May	89.16	75.58	75.58	5.92	12.60
	June	86.08	79.89	79.89	5.88	13.40

---

(1) Source: Standard & Poor's Trade and Securities Statistics (1972 Edition)

(2) Source: Standard & Poor's Trade and Securities Statistics (1972 Edition) for March, June, September and December. Data for other months interpolated.

(3) Price/Earnings Ratio is computed by dividing the Index for each month-end by the earnings figure for the second following month.

APPENDIX C

Cessna Aircraft Corporation: Price, Earnings Data

		Market Price (1)			Latest Reported 12-Months Earnings Per Share (1)	Month-End Price/Earnings Ratio
		High	Low	Close		
1960	January	100-1/2	91-1/4	91-1/4	7.47	12.22
	February(2)	34-7/8	28-3/8	34-3/8	2.49	13.81
	March	38-1/2	31	37-1/2	2.49	15.06
	April	40-3/8	37-1/4	38-1/2	2.58	14.92
	May	40	34	34-1/2	2.58	13.37
	June	35-3/4	30-1/4	34-1/8	2.58	13.23
	July	34-3/4	29-1/2	30-1/2	2.48	12.30
	August	34-3/4	29-1/4	33-1/2	2.48	13.51
	September	34-1/8	27-3/4	29	2.48	11.69
	October	29-1/2	26	27	2.48	10.89
	November	33-3/8	26-5/8	33-3/8	2.48	13.46
	December	37	31-3/4	35-1/4	2.24	15.74
1961	January	36-3/4	34-1/8	35-5/8	2.24	15.90
	February	36-7/8	31-1/2	32	2.24	14.29
	March	35-1/2	31	35-1/4	2.24	15.74
	April	36-7/8	33-5/8	36-5/8	1.92	19.08
	May	46-1/4	36-3/8	45-3/8	1.92	23.63
	June	45-3/4	37-3/4	38-1/2	1.92	20.05
	July	42-1/2	37-1/8	39-1/2	1.74	22.70
	August	41-3/4	38-1/8	41-1/8	1.74	23.64
	September	43-3/8	34-7/8	36-1/2	1.74	20.98
	October	37-3/4	32-3/4	33-1/2	1.60	20.94
	November	34-3/4	33	33-1/2	1.60	20.94
	December	35-1/4	33-1/8	33-3/4	1.58	21.36
1962	January	35	31-1/2	34-3/4	1.50	23.17
	February	35	28-1/2	32-3/4	1.50	21.83
	March	33-1/4	29-1/4	29-1/2	1.50	19.67
	April	29-7/8	27-3/4	28	1.54	18.18
	May	29-1/8	20-1/2	23-1/4	1.54	15.10
	June	23-1/2	16-1/8	17-1/4	1.54	11.20
	July	21	17-1/8	19-3/4	1.46	13.53
	August	20-1/8	18-1/4	19-1/8	1.46	13.10
	September	19-1/8	17	17-3/4	1.46	12.16
	October	17-3/4	15	17-3/4	1.40	12.68
	November	23-3/8	17-1/4	23-1/8	1.40	16.52
	December	24-1/4	20-1/4	21	1.40	15.00

APPENDIX C (CONTINUED)

		Market Price (1)			Latest Reported 12-Months Earnings Per Share (1)	Month-End Price/Earnings Ratio
		High	Low	Close		
1963	January	23-7/8	21	22-1/8	1.45	15.26
	February	22-1/2	20-7/8	21-1/2	1.45	14.83
	March	22-3/4	20-1/2	22-1/8	1.45	15.26
	April	22-3/4	21-1/8	22-1/8	1.37	16.15
	May	25-1/2	21-1/2	24-3/8	1.37	17.79
	June	24-3/4	21-3/4	21-3/4	1.37	15.88
	July	22-1/2	21	21	1.44	14.58
	August	21-1/2	20	21-1/4	1.44	14.76
	September	23-1/2	20-1/2	21-3/8	1.44	14.84
	October	22-5/8	20-5/8	21-1/4	1.44	14.76
	November	23-3/4	21-1/2	22-5/8	1.44	15.71
	December	24	22-1/8	23	1.55	14.84
1964	January	27-1/2	22-3/4	25-7/8	1.62	15.97
	February	28-3/4	26	27-1/8	1.62	16.74
	March	28	25-3/8	27-7/8	1.62	17.21
	April	29-5/8	26-1/4	26-3/8	1.86	14.18
	May	27-3/4	25-3/8	25-1/2	1.86	13.71
	June	26-1/2	23-5/8	26-1/2	1.86	14.25
	July	30	26-1/8	29-1/8	2.14	13.61
	August	31-3/8	27-5/8	28-1/2	2.14	13.32
	September	30-3/8	28-1/4	28-7/8	2.14	13.49
	October	30-1/4	27-7/8	28-1/2	2.14	13.32
	November	32-1/4	28-1/4	30-3/8	2.14	14.19
	December	32-1/8	28-5/8	31-7/8	2.27	14.04
1965	January	32-7/8	30-1/2	32-3/8	2.44	13.27
	February	34-1/2	30-5/8	34-1/2	2.44	14.14
	March	35-1/4	31-5/8	32-3/8	2.44	13.27
	April	35-5/8	32-1/4	35-5/8	2.66	13.39
	May	36-3/8	34-3/8	35-1/2	2.66	13.35
	June	35-3/4	29	31-7/8	2.66	11.98
	July	34-1/2	31-1/4	34-1/4	2.99	11.45
	August	37-7/8	33-1/4	37-1/2	2.99	12.54
	September	42-1/2	36-7/8	40-1/2	2.99	13.55
	October	42-3/8	39-1/8	40-1/4	3.25	12.38
	November	48-3/8	40-1/8	48	3.25	14.77
	December	51-1/8	44-3/4	49-5/8	3.30	15.04

APPENDIX C (CONTINUED)

		Market Price (1)			Latest Reported 12-Months Earnings Per Share (1)	Month-End Price/Earnings Ratio
		High	Low	Close		
1966	January	53	49	52-1/2	3.67	14.31
	February	56-1/2	49	53-3/4	3.67	14.65
	March	53-3/4	44-1/4	49	3.67	13.35
	April	57-1/2	49-1/4	53-1/8	3.92	13.55
	May	54-1/4	42-1/2	49	3.92	12.50
	June	51-7/8	45-1/2	47-3/4	3.92	12.18
	July	50-1/4	43-1/4	43-1/4	3.99	10.84
	August	43-1/4	33-1/2	38-3/4	3.99	9.71
	September	39	33-3/4	34-1/4	3.99	8.58
	October	36-1/4	30-3/4	35-1/2	4.13	8.60
	November	39-1/4	34	37-1/2	4.13	9.08
	December	40-1/8	36-1/4	37-1/8	4.13	8.99
1967	January	45-1/2	37-1/8	44-1/2	3.90	11.41
	February	46-1/8	41-1/8	42	3.90	10.77
	March	45-3/4	41	41	3.90	10.51
	April	42	39-1/4	41-7/8	3.56	11.76
	May	49-1/2	41-1/4	45-3/4	3.56	12.85
	June	50-3/8	44	47-1/4	3.56	13.27
	July	48-1/4	45-3/4	47	3.56	13.20
	August	51	46-1/4	47-1/2	3.56	13.34
	September	50-1/4	46-1/2	48-3/4	3.56	13.69
	October	50-5/8	45-1/2	45-3/4	3.20	14.30
	November	45-1/2	39-3/4	41-1/4	3.20	12.89
	December	44-7/8	41-1/2	42-3/4	3.20	13.36
1968	January	46-1/2	40-1/4	42-3/4	3.36	12.72
	February	47	42-1/4	46-3/8	3.36	13.80
	March	47-1/2	42-1/2	47	3.36	13.99
	April	58	46	56-5/8	3.54	16.00
	May	60-1/4	55-3/8	59-5/8	3.54	16.84
	June	66	59	59-1/4	3.54	16.74
	July	60	50	50-1/8	3.48	14.40
	August	55-5/8	40-3/4	54-1/8	3.48	15.55
	September	54-3/8	51	51-1/2	3.48	14.80
	October	57-1/8	51-3/4	55	3.80	14.47
	November	55-1/2	51-3/4	54-1/8	3.80	14.24
	December	56-3/4	52-1/4	52-1/4	3.80	13.75

APPENDIX C (CONTINUED)

		Market Price (1)			Latest Reported 12-Months Earnings Per Share (1)	Month-End Price/Earnings Ratio
		High	Low	Close		
1969	January (3)	26-5/8	25-1/8	26-3/8	1.88	14.03
	February	30-1/4	26	26-3/4	1.88	14.23
	March	28-1/2	25-1/2	27-7/8	1.88	14.83
	April	29	26-3/8	26-3/8	1.99	13.25
	May	30	26-1/2	30	1.99	15.08
	June	30-1/8	23-3/8	24-1/4	1.99	12.19
	July	27-1/4	22-3/4	26-1/8	2.18	11.98
	August	27-1/4	25	26-5/8	2.18	12.21
	September	27-7/8	25	25-1/4	2.18	11.58
	October	26-3/8	23-1/2	24-1/4	2.25	10.78
	November	25	22-1/2	23-5/8	2.25	10.50
	December	24	21-1/8	23-1/2	2.25	10.44
1970	January	24	16-1/2	17	2.11	8.06
	February	19-3/4	17	19-3/8	2.11	9.18
	March	20-7/8	18-1/8	18-3/8	2.11	8.71
	April	18-7/8	16	16-1/2	1.94	8.51
	May	16-3/4	12-7/8	14-3/4	1.94	7.60
	June	16	12-1/4	12-1/2	1.94	6.44

---

(1) Source: Standard & Poor's Monthly Stock Guides.

(2) 3:1 stock split

(3) 2:1 stock split

APPENDIX D

Piper Aircraft Corporation: Computations Used in Chart A and Chart B

		Price/Earnings of Piper As a Percentage of Price/Earnings of S&P
1960	January	91
	February	103
	March	107
	April	103
	May	111
	June	105
	July	104
	August	119
	September	108
	October	86
	November	86
	December	77
1961	January	79
	February	105
	March	96
	April	96
	May	128
	June	103
	July	174
	August	172
	September	161
	October	152
	November	137
	December	215
1962	January	273
	February	263
	March	268
	April	215
	May	186
	June	158
	July	96
	August	109
	September	113
	October	99
	November	103
	December	104

APPENDIX D (CONTINUED)

		Price/Earnings of Piper As a Percentage of Price/Earnings of S&P
1963	January	92
	February	86
	March	84
	April	90
	May	86
	June	76
	July	80
	August	78
	September	83
	October	80
	November	81
	December	83
1964	January	81
	February	84
	March	89
	April	74
	May	83
	June	84
	July	74
	August	81
	September	75
	October	78
	November	79
	December	76
1965	January	74
	February	77
	March	74
	April	70
	May	68
	June	63
	July	61
	August	66
	September	69
	October	73
	November	79
	December	79

APPENDIX D (CONTINUED)

		Price/Earnings of Piper As a Percentage of Price/Earnings of S&P
1966	January	92
	February	100
	March	98
	April	102
	May	96
	June	98
	July	83
	August	76
	September	67
	October	65
	November	67
	December	65
1967	January	75
	February	70
	March	63
	April	66
	May	87
	June	79
	July	109
	August	109
	September	111
	October	104
	November	104
	December	154
1968	January	144
	February	147
	March	142
	April	139
	May	145
	June	143
	July	134
	August	132
	September	118
	October	119
	November	115
	December	121

APPENDIX (CONTINUED)

		Price/Earnings of Piper As a Percentage of Price/Earnings of S&P
1969	January	154
	February	186
	March	180
	April	157
	May	175
	June	154

APPENDIX E

Piper Aircraft Corporation:
Hypothetical Return on Equity

		20% of Book Value (1)	Pro Forma P/E (2)	Pro Forma P/E As Percentage of P/E of S&P Index
1960	January	$2.20	17.5	105
	February	2.31	20.3	119
	March	2.31	20.8	125
	April	2.37	19.9	121
	May	3.37	22.2	131
	June	3.37	21.5	124
	July	3.51	17.5	102
	August	3.51	20.7	116
	September	3.51	17.8	106
	October	3.51	14.0	84
	November	3.56	15.2	87
	December	3.56	14.3	79
1961	January	3.56	14.7	76
	February	3.56	18.1	91
	March	3.56	17.4	84
	April	3.56	17.6	83
	May	3.56	20.4	93
	June	3.56	16.0	75
	July	3.57	20.7	94
	August	3.57	20.9	92
	September	3.57	19.1	87
	October	3.57	18.5	82
	November	3.57	17.3	74
	December	3.55	18.4	79
1962	January	3.50	18.8	85
	February	3.50	18.1	83
	March	3.50	18.0	84
	April	3.47	16.9	86
	May	3.47	13.1	74
	June	3.47	10.1	63
	July	3.52	8.9	53
	August	3.52	10.2	60
	September	3.52	10.0	63
	October	3.52	8.7	55
	November	3.61	11.3	65
	December	3.61	11.4	65

APPENDIX E (Continued)

		20% of Book Value (1)	Pro Forma P/E (2)	Pro Forma P/E As Percentage of P/E of S&P Index
1963	January	$3.63	11.8	65
	February	3.63	10.5	61
	March	3.63	10.7	59
	April	3.66	11.9	63
	May	3.66	11.5	61
	June	3.66	9.9	54
	July	3.72	10.1	56
	August	3.72	10.2	54
	September	3.72	10.6	57
	October	3.80	11.9	62
	November	3.80	11.9	64
	December	3.80	12.2	65
1964	January	3.92	13.2	68
	February	3.92	13.6	70
	March	3.92	14.6	75
	April	4.01	12.7	65
	May	4.01	14.3	74
	June	4.01	14.4	75
	July	4.11	14.4	74
	August	4.11	15.0	80
	September	4.11	14.5	76
	October	4.36	14.6	76
	November	2.91	14.4	77
	December	2.91	14.0	75
1965	January	2.97	14.6	76
	February	2.97	15.1	79
	March	2.97	14.0	75
	April	3.10	14.1	73
	May	3.10	13.4	71
	June	3.10	11.7	66
	July	3.10	11.5	65
	August	3.24	12.3	69
	September	3.24	13.3	72
	October	3.24	14.3	76
	November	3.41	15.4	84
	December	3.41	15.2	83

APPENDIX E (Continued)

		20% of Book Value (1)	Pro Forma P/E (2)	Pro Forma P/E As Percentage of P/E of S&P Index
1966	January	$3.46	17.1	94
	February	3.46	18.0	102
	March	3.46	17.0	99
	April	3.52	18.4	106
	May	3.52	16.1	99
	June	3.52	16.2	102
	July	3.68	13.5	87
	August	3.68	11.4	80
	September	3.68	9.8	70
	October	3.68	9.9	68
	November	3.90	10.1	69
	December	3.90	9.8	67
1967	January	4.01	12.2	78
	February	4.01	11.3	72
	March	4.01	10.8	65
	April	4.01	11.9	68
	May	4.07	13.6	82
	June	4.07	12.7	74
	July	4.11	15.5	86
	August	4.11	15.4	86
	September	4.11	16.3	87
	October	4.11	15.0	82
	November	4.13	16.2	89
	December	4.13	17.6	94
1968	January	4.09	16.8	95
	February	4.09	16.5	97
	March	4.09	16.0	93
	April	4.13	18.9	102
	May	4.18	19.9	106
	June	4.18	19.5	105
	July	4.30	16.9	93
	August	4.30	16.8	93
	September	4.30	15.5	82
	October	4.31	15.8	84
	November	4.31	15.9	81
	December	4.31	16.0	86

APPENDIX E (Continued)

		20% of Book Value (1)	Pro Forma P/E (2)	Previous Column As a Percentage of Price/Earnings of S&P
1969	January	$4.28	18.7	102
	February	4.28	21.5	124
	March	4.28	21.6	120
	April	4.33	20.2	110
	May	4.33	22.4	123
	June	4.33	18.6	108
	July	4.47	17.9	111

---

(1) Based on year-end book value, adjusted for subsequent quarterly earnings and dividends.

(2) Calculated by dividing the month-end price of Piper by the arithmetic mean of (a) 20% of book value and (b) reported earnings per share.

APPENDIX F

Piper Aircraft Corporation/Cessna Aircraft Company
Comparison

		Price of Piper As Percentage of Price of Cessna (1)	P/E of Piper As Percentage of P/E of Cessna	Pro Forma P/E of Piper (2) As Percentage of P/E of Cessna
1960	January	100	124	143
	February	108	127	147
	March	101	119	138
	April	99	113	134
	May	123	141	166
	June	121	138	163
	July	131	145	142
	August	142	157	153
	September	140	155	152
	October	119	131	128
	November	104	110	113
	December	93	89	91
1961	January	94	96	92
	February	119	145	127
	March	104	127	111
	April	101	106	92
	May	84	118	86
	June	78	109	80
	July	85	169	91
	August	83	164	89
	September	85	169	91
	October	90	164	89
	November	84	153	83
	December	79	234	86
1962	January	75	259	81
	February	76	264	83
	March	84	291	91
	April	88	232	93
	May	82	217	87
	June	85	226	90
	July	73	119	66
	August	86	140	78
	September	91	148	82
	October	80	124	69
	November	85	109	68
	December	95	121	76

APPENDIX F (Continued)

		Price of Piper As Percentage of Price of Cessna (1)	P/E of Piper As Percentage of P/E of Cessna	Pro Forma P/E of Piper (2) As Percentage of P/E of Cessna
1963	January	99	109	77
	February	91	100	71
	March	90	99	70
	April	101	105	73
	May	89	92	65
	June	85	89	62
	July	91	100	69
	August	91	100	69
	September	94	104	72
	October	116	103	80
	November	109	97	76
	December	111	105	82
1964	January	115	98	83
	February	113	97	81
	March	118	101	85
	April	116	100	89
	May	135	117	104
	June	131	114	101
	July	136	106	106
	August	148	114	114
	September	138	107	107
	October	145	112	110
	November	135	104	101
	December	124	102	100
1965	January	137	107	110
	February	134	105	107
	March	132	103	105
	April	129	100	105
	May	124	96	100
	June	120	93	98
	July	109	95	100
	August	111	94	98
	September	111	94	98
	October	120	111	115
	November	116	98	104
	December	111	96	101

APPENDIX F (Continued)

		Price of Piper As Percentage of Price of Cessna (1)	P/E of Piper As Percentage of P/E of Cessna	Pro Forma P/E of Piper (2) As Percentage of P/E of Cessna
1966	January	114	118	120
	February	118	121	123
	March	122	126	127
	April	126	131	135
	May	120	124	129
	June	124	128	133
	July	121	118	125
	August	114	111	118
	September	111	109	114
	October	108	110	115
	November	110	107	111
	December	108	105	109
1967	January	113	104	107
	February	111	102	105
	March	108	100	103
	April	117	98	101
	May	115	113	105
	June	104	102	95
	July	112	149	117
	August	110	146	116
	September	114	151	119
	October	111	133	105
	November	117	205	126
	December	123	215	131
1968	January	120	201	132
	February	108	182	120
	March	104	174	114
	April	111	161	118
	May	110	161	118
	June	109	158	117
	July	112	168	117
	August	103	154	108
	September	99	150	105
	October	96	154	109
	November	98	150	112
	December	102	164	116

APPENDIX F (Continued)

		Price of Piper As Percentage of Price of Cessna (1)	P/E of Piper As Percentage of P/E of Cessna	Pro Forma P/E of Piper (2) As Percentage of P/E of Cessna
1969	January	114	200	134
	February	129	227	151
	March	124	218	146
	April	128	216	152
	May	125	211	148
	June	128	216	152
	July	126	192	149

---

1) Adjusted for stock splits prior to 1969.

2) See Appendix E

CASH TENDER OFFERS

APPENDIX G

Target Company	Bidder	Effective Date of Bid	Shares of Target Company Outstanding (000)	Percentage of Shares Bid For	Tender Price	Level of Market Before Bid	Premium	Result
Edgewater Steel Co.	Pittsburgh Coke & Chemical Co.	2/16/68	371	36 %	47-1/2	43	11%	Acquired 33%
Grosset & Dunlap, Inc.	National General	3/14/68	1200	100	41	31-1/2	30	Acquired 95%
Hanover Insurance	State Mutual Life Assurance Co.	6/13/68	1241	25	53	35-3/4	48	Acquired 25%
American Broadcasting Companies, Inc.	Hughes Tool	7/1/68	4709	42	74-1/4	58-1/2	27	Unsuccessful
California-Western States Life Ins.Co.	American General Insurance	8/12/68 11/4 Rev	5244	10 (1) 13	30	22-1/2	33	Acquired 13%
Cap-Roc Inc.	Duplan Corp.	10/4/68	487	100	31	21-1/4	46	Acquired 86%
Electronic Specialty Company	International Controls Corp.	8/19/68	1851	100	39	30	30	Acquired 55%
General Laboratory	Simmonds Precision Products Inc.	9/25/68	416	100	20	14	43	Merged
Jones Motor Co.	Allegheny Corp.	9/7/68	448	100	21	13-3/4	53	Acquired 98%
Jacobsen Manufacturing Co.	Sterling Precision Corp.	3/19/68	640	27	40	29-1/2	36	Unsuccessful
Jones & Laughlin Steel Corp.	Ling-Temco-Vought, Inc.	5/14/68	7940	63	85	48-1/8	77	Acquired 63%
National Central Life (Kansas)	Pennsylvania Life Insurance	6/13/68	850	100	30	23	30	Acquired 95%
Raybestos-Manhattan, Inc.	Seeburg Corp.	2/9/68	1152	54.7	80	61-1/2	30	Unsuccessful
Duffy-Mott Co. Inc.	American Tobacco	6/4/68	858	100	40	29	38	Acquired 77%

Target Company	Bidder	Effective Date of Bid	Shares of Target Company Outstanding (000)	Percentage of Shares Bid For	Tender Price	Level of Market Before Bid	Premium	Result
Roxbury Carpet Company	Carson Pirie Scott & Co.	3/12/68	515	16% (2)	9	8	13 %	Acquired 39%
United Insurance Co. of America	Teledyne	5/6/68	7500	28 (3)	35	27-1/8	29	Acquired 28%
Western Union Telegraph	University Computing Co.	5/6/68	7527	10	44	33-3/4	30	Unsuccessful
Tyler Pipe Industries	Saturn Industries	8/26/68	1071	100	40	30-1/2	31	Acquired
Western Airlines	Kirk Kekorian	12/9/68	4893	31	45	36-3/4	22	Acquired 26%
Wyatt Industries	U.S. Industries	1/26/68	424	100	54	41	32	Acquired 63%
Miehle-Goss-Dexter, Inc.	North American Rockwell Corp.	11/19/68	5748	30	31	24	29	Merged 9/69
Monumental Life Ins. Co.	Fidelity Corp.	11/15/68	2805	45 Rev. 100	47 50	32-3/4	44 53	Acquired less than 5%
Pan American Sulphur Co.	Susquehanna Corp.	11/26/68	4751	38	40	32-1/4	24	Acquired 40%
Ryan Aeronautical Co.	Teledyne	11/16/68	2501	100	50	38-3/4	29	Acquired 96%
Superior Coach Corp.	Sheller-Globe Corp.	7/12/68	1376	36	26	17-1/8	52	Merged 11/68
API Instruments	Technology Inc.	6/2/69	523	19	20	14	43	Withdrawn
Amerada Petroleum	Hess Oil & Chemical Corp.	3/19/69	12805	8 (4)	125	101	24	Acquired 8%
Bayly Manufacturing Co.	J.C. Wood	6/5/69	373	40	20	14-1/2	38	Acquired 40%
C. Brewer & Co. Ltd.	International Utilities	1/10/69	2196	29.6 (5)	50	38-1/4	31	Acquired 29.9%

Target Company	Bidder	Effective Date of Bid	Shares of Target Company Outstanding (000)	Percentage of Shares Bid For	Tender Price	Level of Market Before Bid	Premium	Result
Massachusetts Indemnity & Life	Pennsylvania Life Co.	1/6/69	500	100 %	66	44	50%	Acquired 98%
Simplex Wire & Cable	Harbill Associates	2/10/69	750	63	25-1/2	23	11	Acquired 60%
Southdown, Inc.	Zapata Norness Inc.	2/28/69	1337	51.0	52	38-1/2	35	Acquired 51%
UMC Industries	Liquidonics Industries, Inc.	2/5/69	5144	22.5 (6)	30	23	30	Acquired 32.67

(1) American General Insurance owned 20% prior to bid.

(2) Carson Pirie owned 39% prior to bid.

(3) Teledyne owned 23% prior to bid.

(4) Hess owned 10% prior to bid.

(5) International Utilities owned 26.6% prior to bid.

(6) Liquidonics owned 18.3% prior to bid.

CONTESTED TENDER OFFERS

APPENDIX H

Target Company	Bidder	Effective Date of Bid	Shares of Target Company Outstanding (000)	Percentage of Shares Bid For	Tender Price	Level of Market Before Bid	Premium	Result
Glens Falls Ins. Co.	U.S.Fidelity & Guaranty	5/29/68	1,400	100%	52-1/2	30	75%	Acquired 21%; 6/21/68 sol 9% to Continental Ins.
	Continental Insurance	6/3/68		100	60		100	Acquired 96% common
C.G. Conn Ltd.	Kernal Co.	10/10/68	826	41.5 (1)	21	16	31	
		10/18 Rev		41.5	25		56	Unsuccessful
	Crowell Collier & Macmillan	*10/14/68		100	25-3/8 (2)		59	
		10/22 Rev		100	30-1/2 (3)		91	Merged 5/69
		#10/17		42	24		50	
		10/18 Rev		42	30		88	Acquired 42% common
Harley Davidson Motor Co.	Bangor Punta Corp.	*10/4/68	714	100	25-7/8 (4)	19-1/2	33	
		12/3 Rev		100	49-1/2 (5)		153	Unsuccessful
		#11/12		21	40		105	
		11/14 Rev		21	42-1/2		118	
		11/21 Rev		100	42-1/2		118	
	American Machine & Foundry	10/31/68		100	30-1/4 (6)		55	
		11/21		93 (7)	41-1/8 (8)		111	Merged 1/69
Commercial Credit	Loews Theatres Inc.	6/13/68	10,538	90 (9)	42-3/8 (10)	33-1/8	28	Unsuccessful
	Control Data Corp.	6/13/68		100	60-7/8 (11)		84	
		6/29 Rev			71-1/8 (12)		115	Merger approved 8/68
Home Insurance	Northwest Industries Inc.	5/27/68	8,600	90 (13)	45-1/4 (14)	30-3/8	49	
		6/24 Rev		90	49-3/8 (15)		62	Withdrawn 7/68
	City Investing Co.	8/27		90	54-3/8 (16)		79	Acquired 94% common
Great American Holding	AMK Corporation	9/20/68	6,230	100	66-7/8 (17)	32-3/8	106	
		9/30 Rev		100	75 (18)		132	Unsuccessful
	Natl. General Corp.	7/16/68		93 (19)	68-1/4 (20)		111	
		9/26 Rev		93	77 (21)		138	Acquired 93% common

Target Company	Bidder	Effective Date of Bid	Shares of Target Company Outstanding (000)	Percentage of Shares Bid For	Tender Price	Level of Market Before Bid	Premium	Result
Arrowhead & Puritas Waters	Allegheny Beverage Corp.	10/14/68	674	47% (22)	50	38	32%	Acquired 30%, later sold to Coca-Cola all holdings.
	Coca-Cola Bottling Co. L.A.	10/21/68		100	48-1/4 (23)		27	
		11/5 Rev		100	56-3/4 (24)		49	Merger approved 3/69
Westinghouse Air Brake Co.	Crane Company	4/5/68	2,532	74 (25)	47-3/4 (26)	36	33	Acquired only 13% common
	American Standard Inc.	3/7/68		100	42-3/8 (27)		18	Merged 6/68
Sinclair Oil Corp.	Gulf & Western Industries	12/4/68	12,500	95 (28)	136-3/4 (29)	80	71	Acquired only 0.2% common
	Atlantic Richfield Company	*11/2/68		100	128-3/4 (30)		61	
		#12/12		20	145		81	Merger approved 12/68

Target Company	Bidder	Effective Date of Bid	Shares of Target Company Outstanding (000)	Percentage of Shares Bid For	Tender Price	Level of Market Before Bid	Premium	Result
United Fruit Company	Zapata Norness	1/9/69	8060 Com	100%	91-7/8 (31)	50-1/2	82%	Unsuccessful
		1/22	213 Pfd	100	127-3/4 (32)	66	94	Unsuccessful
	AMK Corporation	12/14/68	8060 Com	91 (33)	88-1/2 (34)		75	
			213 Pfd	100	134-1/4 (35)		103	
		1/24/69 Rev	8060 Com	100	88-3/4 (36)		76	
								Acquired 83% Com and 74% Pfd
Armour & Company	Greyhound Corp.	1/28/69	6095	41 (37)	65	49-3/8	32	
		1/31 Rev		41	70		42	
		2/10 Rev		41	72		46	
								Acquired 25% Com
	General Host Corp.	1/20/69		84 (38)	66-7/8 (39)		35	Acquired 43.5% Com
U.S. Pipe & Foundry Company	Automatic Sprinkler Corp.	9/26/68	3700	79 (40)	30-1/2 (41)	25	22	Acquired only 2%
	Jim Walter Corp.	11/4/68		100	38-1/2 (42)		54	Merged 5/69

* Stock
\# Cash alternative

(1) Kernal Co. owned 10% prior to bid.

(2) Estimated value of exchange package consisting of .4 share Crowell common (value 37-3/4) and .2 share new Crowell $2.50 convertible preferred (value 51-3/8) for 1 share C.G. Conn common.

(3) Estimated value of exchange package consisting of .5 share Crowell common (value 39-1/2) and .2 share new Crowell $2.50 convertible preferred (value 53-3/4) for 1 share C.G. Conn common.

(4) Estimated value of exchange package consisting of $20 p.a. 7-1/4% debs (value 72-1/2), 1/2 warrant (value 14-1/4) and .1 share Bangor common (value 42-3/4) for 1 share Harley common.

(5) Estimated value of .9 share $2 conv. preferred (value 55) for 1 share Harley common.

(6) Estimated value of 1.23 shares AMF common (value 24-5/8) for 1 share Harley common.

(7) AMF purchased 7% common prior to revised bid.

(8) Estimated value of 1.5 shares AMF common (value 27-3/8) for 1 share Harley common.

(9) Loews' owned 10% prior to bid.

(10) Estimated value of $45 p.a. 5-1/2's 1993 conv. debs (value 94-1/8) for 1 share Commercial Credit common.

(11) Estimated value of 1/3 share CDA common (value 166) and .1 warrant (value 55-3/8) per share Commercial Credit common.

(12) Estimated value of .45 share CDA common (value 147-1/4) and .1 warrant (value 49) per share Commercial Credit common.

(13) Northwest owned 10% prior to bid.

(14) Estimated value of exchange package consisting of $40 p.a. 7% debs (value 70) and .1 share Northwest common (value 172) for 1 share Home Insurance common.

(15) Estimated value of exchange package consisting of $40 p.a. 7% debs (value 70) and .1 share Northwest common (value 160) and .1 warrant (value 53-3/8) for 1 share Home common.

(16) Estimated value of exchange package consisting of 1 share $2 conv. pfd. (value 36-5/8) and .4 share City common (value 44-1/4)

(17) Estimated value of exchange package consisting of $30 p.a. 6-3/4's 1988 debs (value 87-3/8), 1/2 share AMK common (value 48-3/4) and 1 warrant (value 16-1/4) for 1 share Great American common.

(18) Estimated value of exchange package consisting of $30 p.a. 6-3/4's 1988 debs. (value 87-3/8), 5/8 share AMK common (value 50-7/8) and 1 warrant (value 17) for 1 share Great American common.

(19) National General owned 7% prior to bid.

(20) Estimated value of exchange package consisting of $50 p.a. 4's 1993 conv.debs.(value 101-7/8) and 1 warrant (value 17-3/8)

(21) Estimated value of exchange package consisting of $50 p.a. 4's 1993 conv.debs(value 101-7/8) and 1-1/2 warrants (value 17-3/8)

(22) Allegheny owned 10% prior to bid.

(23) Estimated value of share $2 conv. pfd. Coca Cola per share Arrowhead.

(24) Estimated value of share $2 conv. pfd. Coca Cola per share Arrowhead.

(25) Crane owned 26% prior to bid.

(26) Estimated value of exchange package consisting of $25 p.a. 7's 1993 (value 85) and $25 p.a. 5's 1993 conv. debs. (value 105-1/2) per share Westinghouse com.

(27) Estimated value of 1/2 share $4.75 conv. pfd. per share Westinghouse common.

(28) Gulf & Western owned 5% common prior to bid.

(29) Estimated value of exchange package consisting of $100 p.a. 5-1/2's 1993 conv. debs (value 104) and 1-3/4 warrants (value 18-3/4) for 1 share Sinclair common.

(30) Estimated value of exchange package consisting of .6 share Atlantic common (value 102-1/2) and 1 share new $2.80 conv. pfd. (value 67-1/4) for 1 share Sinclair common.

(31) Estimated value of 1 share $2 conv. pfd. for 1 share United common.

(32) Estimated value of 1.4 shares $2 conv. pfd. (value 91-1/4) for 1 share United pfd.

(33) AMK owned 9% prior to bid.

(34) Estimated value of exchange package consisting of $30 p.a. 5-1/4's 1994 conv.debs(value 92), .55 shares AMK common (value 58) and 1-1/2 warrants (value 19-3/8) for 1 share United common.

(35) Estimated value of exchange package consisting of $53.20 p.a. 5-1/4's 1994 conv.debs(value 92), .77 shares AMK common (value 58) and 2.1 warrants (value 19-3/8) for 1 share United preferred.

(36) Estimated value of exchange package consisting of $38 p.a. 5-1/4's 1994 conv.debs(value 92), .55 shares AMK common (value 51-1/4) and 1-1/2 warrants (value 17-1/8) for 1 share United common.

(37) Greyhound owned 8% prior to bid.

(38) General Host owned 16% prior to bid.

(39) Estimated value of exchange package consisting of $60 p.a. 7's 1994 (value 60) and 2-1/2 warrants (value 12-3/8) for 1 share Armour common.

(40) Automatic Sprinkler owned 21% prior to bid.

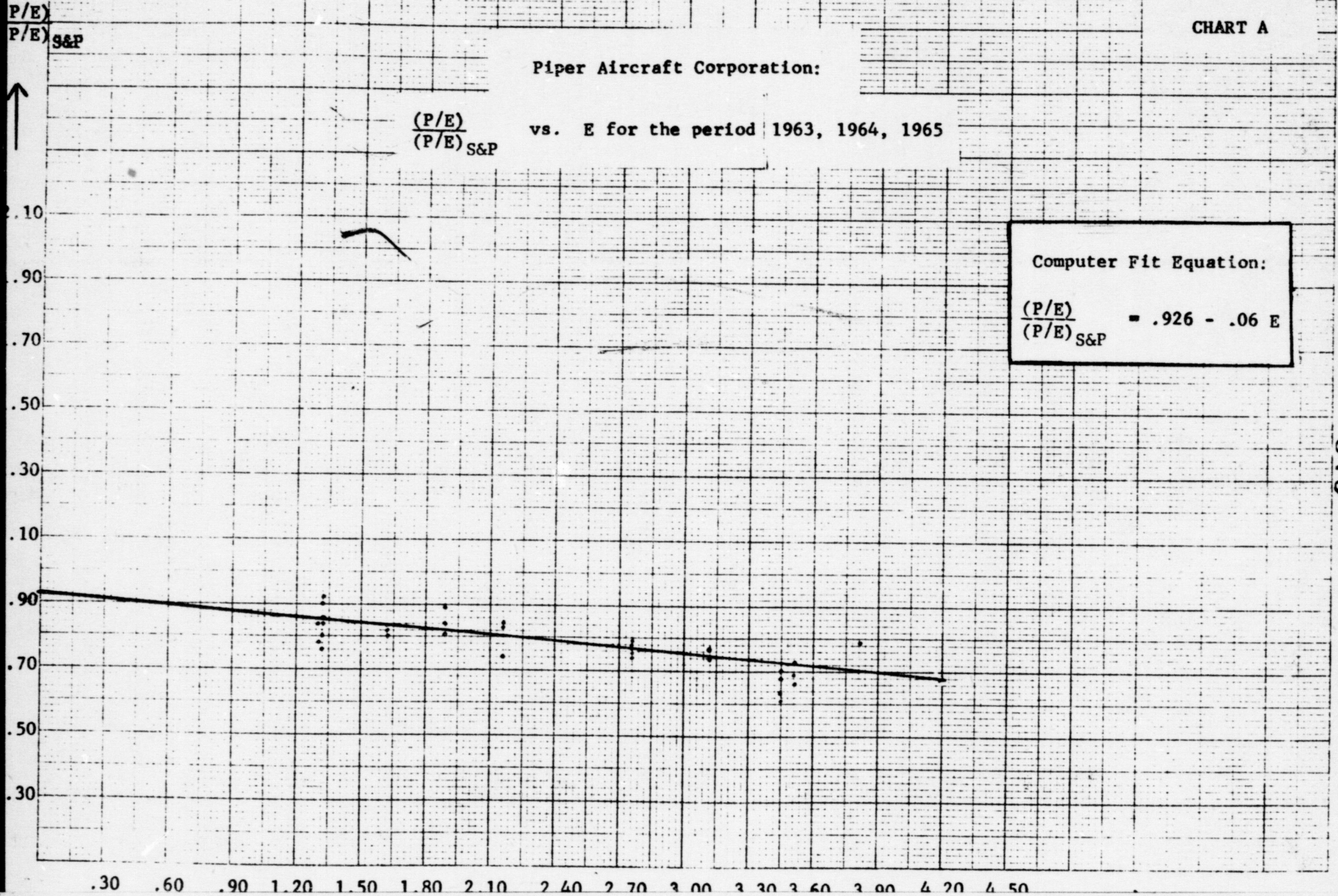
(41) Estimated value of package consisting of $25 p.a. 6's 1988 (value 60), 1/4 share common (value 26-3/4) and 1 warrant (value 8-7/8) for 1 share U.S. Pipe common

(42) Estimated value of 1 share $1.60 conv. pfd. per share U.S. Pipe.

CHART A

Piper Aircraft Corporation:

$\frac{(P/E)}{(P/E)_{S\&P}}$ vs. E for the period 1963, 1964, 1965



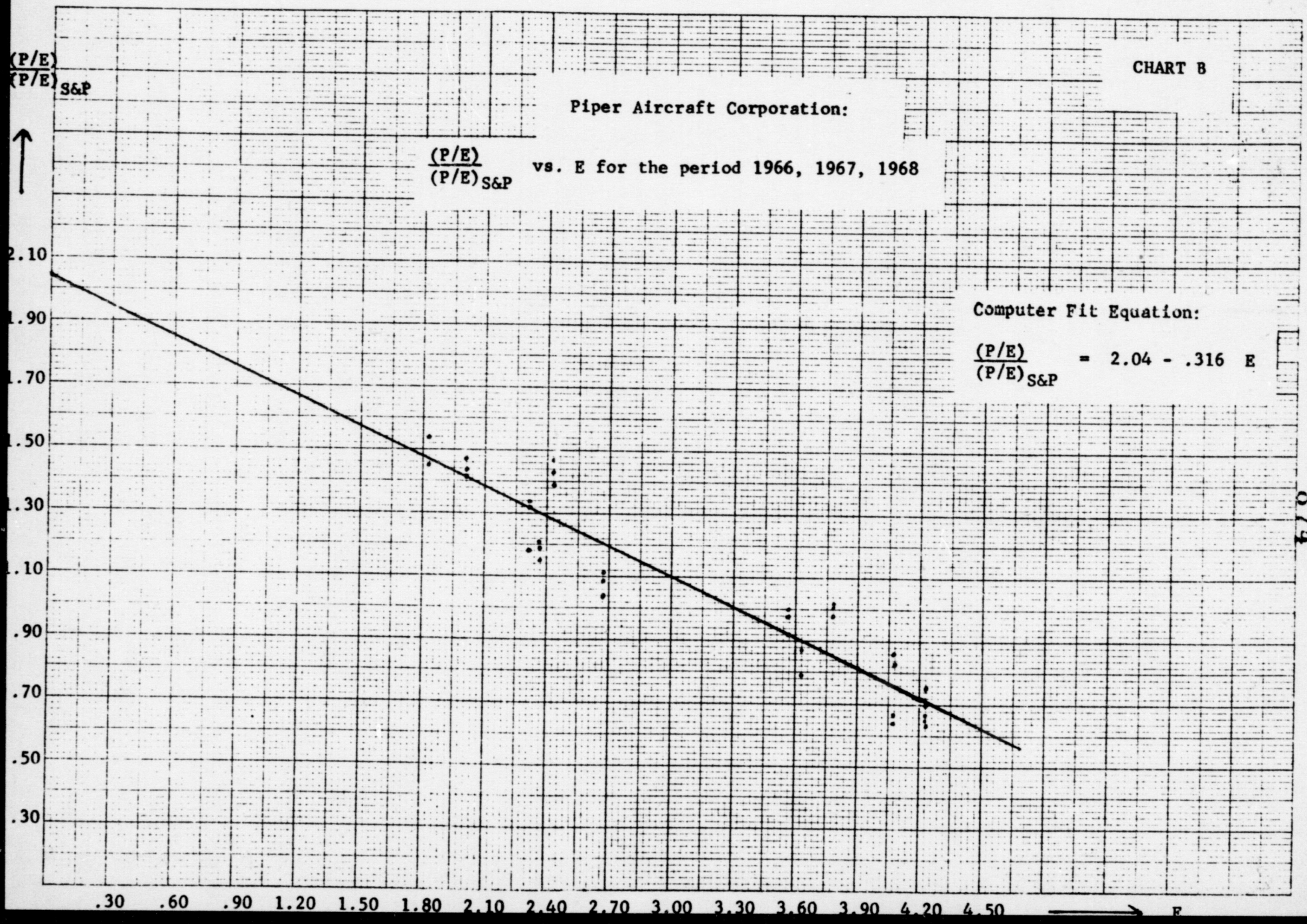
Computer Fit Equation:

$\frac{(P/E)}{(P/E)_{S\&P}} = .926 - .06\ E$

CHART B

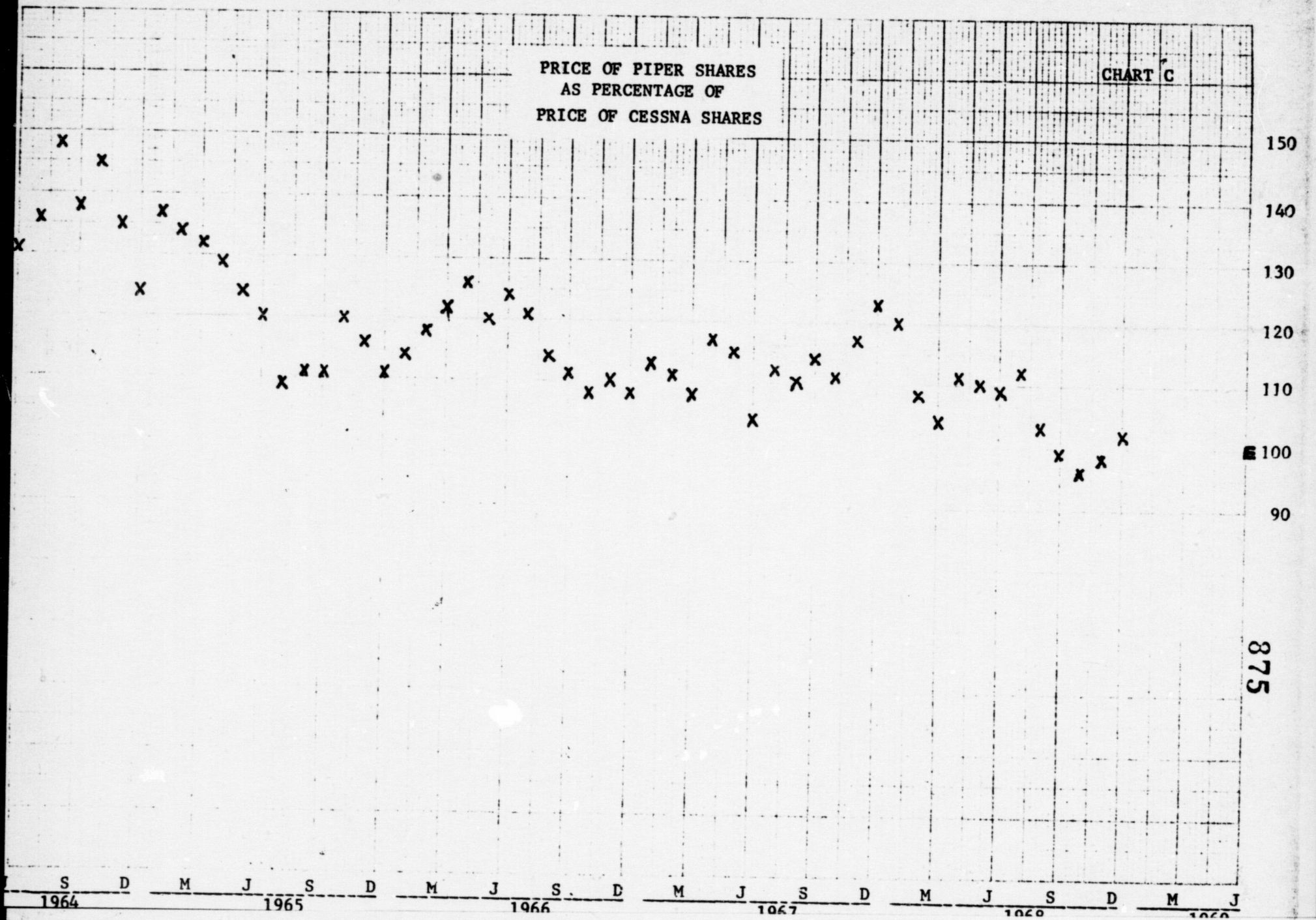
Piper Aircraft Corporation:

$\frac{(P/E)}{(P/E)_{S\&P}}$ vs. E for the period 1966, 1967, 1968



Computer Fit Equation:

$\frac{(P/E)}{(P/E)_{S\&P}} = 2.04 - .316\ E$


PRICE OF PIPER SHARES
AS PERCENTAGE OF
PRICE OF CESSNA SHARES
CHART C
150
140
130
120
110
100
90
J
S
D
M
J
S
D
M
J
S
D
M
J
S
D
M
J
S
D
M
J
1964
1965
1966
1967
1968
1969

875

876

Plaintiff's EXHIBIT
156

VALUATION OF CHRIS-CRAFT'S PIPER STOCK: A SUMMARY OF THEORY AND QUANTIFICATION

Prepared by:

Roger F. Murray
Henry B. Reiling

Date: March 27, 1974

VALUATION OF CHRIS-CRAFT'S PIPER STOCK: A SUMMARY OF THEORY AND QUANTIFICATION

Valuation Question

We have been asked to express our opinion regarding the change in the value per share of Chris-Craft's Piper stock between August 7, 1969 and September 5, 1969 attributable to and assuming that on August 7, 1969 Chris-Craft had a 41 per cent interest and Bangor Punta had a 31 per cent stock interest in Piper with the balance in public hands, whereas on September 5, 1969 Bangor Punta had a 51 per cent interest and Chris-Craft had a 42 per cent interest with the balance in public hands.

Basic Valuation Rationales Used

In our judgment there are two complementary approaches for determining the value of Chris-Craft's Piper stock. Each of these reflects a set of economic realities actually facing Chris-Craft. We assume Chris-Craft on August 7, 1969 and September 5, 1969 could have sold its block of Piper stock at some price. Consequently, one reasonable approach to valuation is to determine the market value of that stock on the specified dates and under the stipulated assumptions. However, presumably both Bangor Punta and Chris-Craft bought their Piper stock and sought to acquire control of Piper because they perceived that Piper either as a

free standing enterprise or as an integral part of the successful contestant's company either had or would eventually have values in excess of the total anticipated purchase price. Consequently, a second and equally reasonable valuation theory is to determine the intrinsic value* of Chris-Craft's Piper stock on the specified dates and under the stipulated assumptions.

In applying both the market value and intrinsic value rationales, we have, because of the particular facts of the Piper situation, differentiated between the value of Piper as part of a larger enterprise (including the increment of value attributable to availability as a potential acquisition by a conglomerate -- hereinafter "conglomerate value") and the value it had as a free standing or independent company.

Conclusion

Our conclusions on a per share basis are as follows:

	Market Value Theory	Intrinsic Value Theory
August 7, 1969 (Conglomerate value: 41% to 31%; control fight continuing).	$ 57.00	$ 68.00
September 5, 1969 (Free standing value)	36.00	40.80
September 5, 1969 (Minority value: 51% to 42%; Bangor Punta has merger power).	20.00	27.44

* A general definition of intrinsic value would be "that value which is justified by the facts, e.g., assets, earnings, dividends, definite prospects, including the factor of management." Graham, Dodd & Cottle, Security Analysis 28 (4th 3d. 1962). The concept represents an attempt to value a stock independent of its current market price.

Data

The data relating to Piper, supporting our conclusion consists primarily of financial information set out in the appendices, exhibits and tables submitted by Mr. Clifford L. Fitzgerald, Jr., an expert witness for Bangor Punta and Mr. Douglas L. Bellemore, an expert witness for Chris-Craft. We are assuming, arguendo, that these data, including projections, are comparable to data that would have been available in September, 1969.

Conglomerate Value: Elaboration

This judgment of the value of Chris-Craft's Piper stock reflects the expectation evident at least from 1967, that Piper would become a part of some larger enterprise. With respect to the contest between Chris-Craft or Bangor Punta for Piper, it assumes that the control fight was unresolved and continuing on August 7, 1969.

The point of departure used to compute the conglomerate market value is to devise the multiple (price/earnings ratio) in the manner employed by Bangor Punta's expert, Mr. Fitzgerald, updated to August 7, 1969. While elements of Mr. Fitzgerald's approach are debatable, the result is reasonable so long as the multiple of 23.3662 which he selected for May 7, 1969 is viewed as containing investors' perception that Piper was an acquisition candidate.

After 1966 and into 1969 there was a widespread conviction among investors that the joining together of even diverse

enterprises would produce additional values. It was frequently expressed in the form of "2 plus 2 equals 5" projections, resulting from expected synergistic gains. The powerful impact of these expectations on stock prices after 1966 is indicated by the behavior of the Standard & Poor's Index of Conglomerates compared with the 425 Industrial Stock Index.

	(A) Conglomerate Index	(B) 425 Stock Index	Ratio of (A) to (B)
1965 average	9.86	93.48	.106
1966 average	14.90	91.08	.164
1967 average	26.85	99.18	.271
1968 average	32.79	107.5	.305
9 mos. 1969 average	24.44	108.1	.226

Piper was an acquisition candidate for conglomerates and in our judgment an element of this expectation of conglomeration had in fact entered Piper's multiple by late 1967. This is observable when one notes the change in the historic relationship existing between Piper's multiple and that of the Standard & Poors 425 Industrial Stock Index and of Cessna. Whereas Piper's multiple was historically lower than either of the other two, it had, by late 1967, become substantially higher.

Our computation at conglomerate market value is as follows:

$$\frac{\text{Piper - S \& P Quotient}}{1.25} \times \frac{\text{August 7, 1969 Price Earnings Ratio of 425 Industrials}}{16.80} = \frac{\text{August 7 Adjusted Piper Earnings Ratio}}{21.00}$$

$$\frac{\text{Piper - Cessna Quotient}}{1.57} \times \frac{\text{August 7, 1969 Price Earnings Ratio of Cessna}}{12.02} = 18.87$$

Average = 19.94

19.94 x 2.86* = 57.03 (rounded to 57).

The derivation of our conglomerate intrinsic value of $68 per Piper stock is basically consistent with the approach followed by Mr. Fitzgerald in deriving his $42.10 assessment of Piper's intrinsic value as of September 5, 1969** but Mr. Fitzgerald's figure, based as it is on the prospective earning power of Piper as an independent enterprise, did not include any component of value attributable to expected synergism. In deriving our conglomerate intrinsic value, we multiplied the premium multiple by expected 1973 per share earnings and then we discounted the resulting value in the same amount as the free standing intrinsic value. The calculation is as follows:

1.25 X 17.87*** = 22.34

22.34 X 6 = 134.04 per share.

The discount for selling costs reduces this figure to 127.14. The present value in August 1969, using a discount rate of 15% is 68.

---

* $2.86 is the per share earnings of Piper for the 12 months ended June 30, 1969.

** One correction is noted below in the discussion of free standing intrinsic value.

*** This is the average price for the Standard of Poor's 425 Industrial Stock Index calculated by Mr. Fitzgerald in his testimony.

Conglomerate Value is not the same as Control Value since it proceeds on the assumption that control is still open. While there may be a premium for leading in the contest which would have raised the conglomerate value of Chris-Craft's plurality block above a market value of $57 or an intrinsic value of $68, that premium is offset by the presence of Bangor Punta's large opposition block and the difficulty that Chris-Craft would encounter in disposing of its Piper stock at that stage. Accordingly, in computing conglomerate value, whether market or intrinsic, we believe it does not matter whether Chris-Craft led by 41% to 31% or by 41% to 38%.

Free Standing Value: Elaboration

Since the foregoing conglomerate value was based on the perception that a premium was appropriate for Piper stock because of the expectation that it would become part of another company, it follows that Piper as a free standing enterprise would have a lower value.

Piper's market value as expressed in the current price/earnings ratio would drop to an average of (a) its historical discount from the Standard & Poor's 425 Industrials' p/e ratio and (b) that of Cessna, which had not been a potential acquisition candidate, or about 12 1/2 times. This would suggest a market price of approximately $36 per share for Piper as an independent enterprise.

With regard to free standing intrinsic value, Mr. Fitzgerald's computation for a single share is acceptable with one exception. His intrinsic value calculation should be corrected to reflect quarterly rather than annual present value computations. On this basis, the relevant figure for one share just prior to September 5, 1969 is $40.80. This adjustment of Mr. Fitzgerald's figure of $42.10 for September 5, simply reflects the reality that returns from common stocks are conventionally related to the quarterly periods associated with dividend payment.

Minority Value: Elaboration

As of September 5, 1969, important decisions were pending in Piper regarding marketing policies, product line, plant locations, executive leadership, etc. The timing of major decisions is always a crucial consideration and this is especially so in a cyclical company. The minority position meant an absence of the ability to determine the pace and time horizon of strategic policies. Even when there is agreement on a major decision, it is inevitable that there will be differences in the preferences of major stockholders regarding the priorities given to various courses of action. More specifically, the inability to determine the timing and quantum of dividends, new product introductions, etc. seriously impairs the value of

a minority position and substantially increases the uncertainty of expected returns from its ownership.

Given Piper's cyclical character and the uncertainties about both the internal organization of Piper and the economic environment, it was especially important and valuable for Chris-Craft to have the option of withdrawing from the minority stock position. The factors which made the withdrawal option so valuable contributed, unfortunately, to its lact of availability. The minority stock position became quite illiquid. As a block sale to another conglomerate or acquisition-minded firm, the block was not at all saleable once Bangor Punta had acquired its clear majority. Even at a discount of 50 per cent from intrinsic value, it is not clear that any such buyer could be found.

Retail distribution of the Piper shares by a selling group of investment bankers was not a promising alternative. In view of Bangor Punta's control position, no one could assure investors what was being offered for sale. The market environment had earlier begun to turn cool toward this kind of a company. A Chris-Craft decision to sell, in itself, might be interpreted as a negative view of Piper's prospects.

Constantly in the background was the possibility of a statutory merger proceeding by Bangor Punta. This would only

be initiated, obviously, in the midst of a cyclical contraction in the general aviation business such as the one starting in late 1969. The impact of this development could be limited only by appraisal rights under Pennsylvania law. Going into such a determination in late 1969 might salvage between $25 and $26 per share, but there could be no assurance that the appraisal would not be materially lower and long delayed. This risk was clearly a very material one.

Given the disadvantages of a minority position in the decision-making process, the illiquid nature of the minority position, and the hazard of a protracted merger appraisal occurring in a cyclical downturn and involving uncertain valuation techniques, an additional ten percentage points should be added to the discount rate used by Mr. Fitzgerald in arriving at intrinsic value. This produces an intrinsic value of $27.44 per share on September 5, 1969.

These same risks, as perceived by investors would reduce the previously indicated fair market price of $36. The projected market price would have been about $20 per share.

Roger F. Murray

Roger F. Murray

Henry B. Reiling

Henry B. Reiling

BIOGRAPHICAL INFORMATION REGARDING ROGER F. MURRAY

EDUCATION

Phillips Academy, Andover, 1928 (President, Alumni Council, 1973-1974)
Yale University, B.A. 1932
Graduate School of Business Administration, New York University, M.B.A. 1938; Ph.D. 1942 (Alumni Achievement Award, 1970-1971)
Hope College, LL.D. 1960

HONORARY AND PROFESSIONAL SOCIETIES

Cum Laude, Phi Beta Kappa, Beta Gamma Sigma
American Economic Association
American Finance Association (Vice President, 1963; President, 1964)
American Statistical Association
Financial Management Association
Metropolitan Economic Association (President, 1961-1962)
New York Society of Security Analysts

BUSINESS EXPERIENCE

Started as trainee in the Personal Trust Department of Bankers Trust Company upon graduation from college in 1932. Management of investment portfolios as Account Manager, 1935-1942. Assistant to Head of Investment Research Division, 1942-1943. Upon return from military service in December 1945, elected Assistant Vice President in Credit and Investment Research Department. Elected Vice President and officer in charge of department, March 1945 to June 1949. Chief Economist, 1949-1952. Head of Institutional Investment Advisory Services, involving the management of institutional portfolios from 1952 through the end of 1955. Served as Vice President and Economist 1965-1967, Executive Vice President and Chairman CREF Finance Committee 1967-1970, Teachers Insurance and Annuity Association and College Retirement Equities Fund. Trustee of College Retirement Equities Fund 1956-1972.

ACADEMIC EXPERIENCE

Appointed Associate Dean, Graduate School of Business, Columbia University, January 1, 1956, and Adjunct Professor of Finance. Appointed Professor of Finance, July 1, 1958, and subsequently appointed the first S. Sloan Colt Professor of Banking and Finance. Teaching including security analysis, portfolio management, and capital markets. Resigned professorship July 1, 1965, served as Adjunct Professor of Finance 1965-1970, and reappointed to Colt Chair January 1971. As member of the Research Staff, National Bureau of Economic Research, directed study of the impact of public and private pensions on saving and investment.

CURRENT ACTIVITIES

S. Sloan Colt Professor of Banking and Finance,
Graduate School of Business, Columbia University

Director, Alliance Bond Fund
Director, American Union Insurance Company
Member, Advisory Committee, Bankers Trust Company
Director and Treasurer, Catalyst
Director, Chemical Fund, Inc.
Trustee, The Common Fund for Nonprofit Organizations
Director, FRS Associates
President and Director, Fund for Mutual Depositors Inc.
Director, Goulds Pumps, Inc.
Director, Holmes Clark Morong, Inc.
Member, Advisory Board, Institute for Quantitative Research in Finance
Member, Economic Studies Committee, Investment Company Institute
Director, Investor Responsibility Research Center, Inc.
Director, Lincoln National Life Insurance Company of New York
Trustee, The New York Bank for Savings
Member, New York State Council of Economic Advisers
Member, Pension Research Council
Member, Economic Advisory Board, Security Trust Company of Rochester, New York
Trustee and Chairman of the Finance and Investment Committees, Smith College
Chairman, Investment Committee, Social Science Research Council
Director, Surveyor Fund, Inc.
Director, Chicago Board Options Exchange

PAST PUBLIC SERVICE ACTIVITIES

Member, President's Task Force on Aging
Chairman, Committee on Income, White House Conference on Aging
Member, Council on Accountancy, New York State (2 terms)
Chairman, Investment Advisory Committee, New York State Teachers Retirement System (1967-1972)

Member 1974 -

Author of Economic Aspects of Pensions: A Summary Report, National Bureau of Economic Research, 1968.
Contributing author of Business Loans of American Commercial Banks, Savings and Time Deposit Banking, Financial Institutions and Markets.

Author of numerous articles in professional and business publications and contributor to several books in the field of finance and investments.

CURRICULUM VITAE

Henry B. Reiling

ADDRESS:

623 Uris Hall
Columbia University
New York, N.Y. 10027

(212) 280-4401

464 Riverside Drive
New York, N.Y. 10027

(212) 662-1934

PERSONAL:

Date of Birth: February 5, 1938

Place of Birth: Richmond, Kentucky

Married: Carol-Lina Maria Schuetz
Two children - Christina, April 8, 1963
Maria, February 10, 1970

EDUCATION:

Fairview High School		1956
Northwestern University	B.A.	1960
Harvard Business School	M.B.A.	1962
Columbia Law School	J.D.	1965

ACADEMIC EXPERIENCE:

Columbia Graduate School of Business

Associate (during last year of law school)	1964-65
Assistant Professor	1965-68
Associate Professor	1968-

Harvard Graduate School of Business

Visiting Associate Professor	1972-73

Primary teaching responsibilities: Taxation, Advanced Taxation, Finance, Investment Banking

Research activities: at the interface of law, accounting and finance.

HONORARY AND PROFESSIONAL MEMBERSHIPS:

Beta Gamma Sigma
New York State Bar
New York State Bar Association
Bar Association of the City of New York
American Bar Association
Section of Taxation: Committee on Sales, Exchanges and Basis; Subcommittee on Non-recognition Transactions. Also member of sections on: Antitrust; Corporation, Banking and Business Law
The American Finance Association
The Financial Management Association (Workshop Chairman, 1972 annual meeting)
National Tax Association

PUBLICATIONS AND RESEARCH:

Sales Under the Uniform Commercial Code (1968; revised, 1970). Privately published for student use at the Columbia Business School prior to publication in forthcoming jointly authored textbook.

"Sophisticated Financing Tool: The Warrant," Harvard Business Review, Jan.-Feb., 1969 (with Samuel L. Hayes, III). Reprinted: Securities Law Review - 1969 (Sage Hill Publishers, Inc.).

"EPS Growth from Financial Packaging: An Accounting Incentive in Acquisitions," St. John's Law Review, Special Edition, Spring, 1970.

"Recent Liability Cases - Implications for Accountants," The Journal of Accountancy, September, 1970 (with Russell A. Taussig). Reprinted: Porter and Burton, Auditing: A Conceptual Approach, Wadsworth Publishing Company, 1970; Parker, J.R.E., Accountancy: A Sourcebook of Readings, 1971; 21 Roeh Haheshbon (Israel) 276-94 (1971); Disclosure Requirements and Other Stock Market Responsibilities of a Public Company, Vol. I Practicing Law Institute, 1971; Brasseaux and Edwards, Readings in Auditing, South-Western Publishing Company (3rd ed. 1973); translated and reprinted in 1973 by Nippon Koninkaikeishi Kyokai (The Japanese Institute of Certified Public Accountants).

Commercial Paper as a Negotiable Instrument (1970), privately published for student use at the Columbia Business School prior to publication in a forthcoming jointly authored textbook.

"Warrants in Bond-Warrant Units: A Review and Assessment," 70 Mich. L. Rev. 1411 (1972). Reprinted: Harvard Business School Reprint Series (1973).

PUBLICATIONS AND RESEARCH: (Cont'd)

"Financial Statements: Signposts as Well as Milestones," Harvard Business Review, Nov.-Dec., 1972 (with Dr. John C. Burton, Chief Accountant, Securities and Exchange Commission). Reprinted The C.F.A. Digest (1973) (Abridged).

COMMITTEE AND OTHER ADMINISTRATIVE ASSIGNMENTS:

Departmental Representative for the Graduate School of Business to the School of General Studies. Had responsibility for the undergraduate business department's staffing and curriculum, 1965-1968. Subsequently had responsibility for phasing out the undergraduate offerings. 1968-72.

Tripartite Committee (A committee of students, faculty members and administrators constituted to identify and recommend solutions to business school problems.), May, 1966 - January, 1968. Chairman, Summer Term.

Admissions Committee, November, 1967-1972.

University Committee on Rules of Conduct, 1968-69. Co-chairman.

President's Advisory Panel, 1968-69. One member of four-man panel convened by former President Cordier during the student disruptions of 1968-69 to provide counsel in University situations possibly necessitating police intervention.

M.B.A. Management Consultants (Student consultants to minority businesses). Advisor, 1970-72.

Administrative head, Division of Taxation and Business Law, 1969-70, 1972, 1973-74.

Appointed by the Executive Vice-President of the University as one of three non-medical members of a Search Committee to conduct an international search and recommend a candidate for Professor and Chairman of the Department of Neurological Surgery, 1971-73.

Member, Institutional Committee on Human Investigation, Columbia College of Physicians and Surgeons, 1972.

University Senator, tenured faculty, Graduate School of Business. Member, Budget Review Committee.

OTHER PROFESSIONAL ACTIVITIES, HONORS AND MEMBERSHIPS:

Ranking in student evaluation of teaching effectiveness of of Columbia Business School Faculty; first on eight occasions; second on two occasions (total evaluations made: ten).

OTHER PROFESSIONAL ACTIVITIES, HONORS AND MEMBERSHIPS: (Cont'd)

Ranking of tax course in student evaluation of Harvard Business School offerings in Fall, 1973: first.

"Distinguished Teaching" awards, Columbia Business School: 1970-71; 1972-73.

Listed in "Outstanding Young Men of America - 1972."

Guest Lecturer: Columbia Executive Programs. Harvard Business School: Advanced Management Pr[illegible] Program for Management Development, Smaller Company M[illegible] Program. Wake Forest Business School. Professional [illegible]cions such as Young Presidents' Organization. Executiv[illegible]evelopment Programs of institutions such as Morgan Guaranty Trust Co., IBM, Paine, Webber, Jackson and Curtis, and Blyth Eastman Dillon & Co., Topics: Corporate taxation; corporate acquisitions and valuations; evolving legal pressures on the accounting profession; finance.

Private practice of law, 1965-present. Corporate law, taxation, litigation.

Director, Brownson & Associates (financial services firm) 1970-73.

Public Director and Chairman of Finance Committee. Morningside Gardens Housing Corporation ($20 million real estate complex in NYC), 1971-72.

Advisory Committee, New York City Department of Ports and Terminals, 1968-70.

Law examination group, American Institute of Certified Public Accountants, 1966-68.

Prior Employment:

Research Assistant to Dean William C. Warren and Professor George C. Thompson of Columbia Law School, June, 1963 - December 1964. Assisted with revision of their textbook, Accounting and the Law.

Law Clerk, Shell Oil Co., June 1964 - September, 1964.

Registered Representative, Brown & Co. (securities brokers), Boston, school years of 1961 and 1962.

Finance Trainee, Lockheed Aircraft Corp., summers of 1961 and 1962.

Assistant Director of Admissions, Northwestern University, April, 1960 - September, 1960.

PERSONAL ACTIVITIES AND INTERESTS INCLUDE:

Union Club (New York)
Harvard Club of New York
Tennis

PLAINTIFF'S EXHIBIT 157

CHRIS-CRAFT INDUSTRIES, INC.

SUMMARY OF INTEREST EXPENSE ON CASH PORTION OF INVESTMENT IN PIPER AIRCRAFT COMMON STOCK

Year Ended August 31,	Interest Expense Incurred
1969	$ 1,461,701
1970	2,828,102
1971	2,891,168
1972	2,647,838
1973	2,692,861
Six months ended February 28, 1974	1,534,484
	$14,056,154

PRIME RATES
FROM JANUARY 1, 1969 TO FEBRUARY 28, 1974
SOURCE - CHEMICAL BANK

Effective date	Rate
12/18/68	6 3/4
1/7/69	7
3/17/69	7 1/2
6/9/69	8 1/2
3/26/70	8
9/22/70	7 1/2
11/23/70	7
1/18/71	6
2/16/71	5 3/4
5/11/71	5 1/2
6/14/71	5 1/2 - 6
7/7/71	6
11/4/71	5 1/2
12/20/71	5 1/4
1/4/72	5
1/24/72	4 3/4
3/27/72	5
6/26/72	5 1/4
7/14/72	5 1/2
8/10/72	5 1/4
8/29/72	5 1/2
10/2/72	5 3/4
12/26/72	6
2/26/73	6 1/4
3/23/73	6 1/2
4/18/73	6 3/4
5/7/73	7
5/24/73	7 1/4
6/7/73	7 1/2
6/21/73	7 3/4
7/2/73	8
7/9/73	8 1/4
7/18/73	8 1/2
7/30/73	8 3/4
8/6/73	9
8/13/73	9 1/4
8/21/73	9 1/2
8/28/73	9 3/4
9/18/73	10
10/24/73	9 3/4
1/28/74	9 1/2
2/6/74	9 1/4
2/19/74	9
2/25/74	8 3/4

PLAINTIFF'S EXHIBIT 157A

CHRIS-CRAFT INDUSTRIES, INC.
INTEREST EXPENSE ON CASH PORTION OF
INVESTMENT IN PIPER AIRCRAFT COMMON STOCK
FOR THE YEAR ENDED AUGUST 31, 1969

Month	Cash Investment At End of Month	INTEREST DETERMINANTS		INTEREST EXPENSE		
		6% Subordinated Debentures	Philadelphia National Bank $15,000,000 Loan at Prime	6% Debentures	Prime Loan	Total Interest Expense
December	$ 313,400	$ 313,400	$ -	$ 1,567	$ -	
January	14,585,336	14,585,336	-	72,927	-	
February	35,300,844	25,717,900	9,582,944	128,590	55,900	
March	35,819,166	25,717,900	10,101,266	128,590	63,133	
April	35,849,301	25,717,900	10,131,401	128,590	63,321	
May	35,849,301	25,717,900	10,131,401	128,590	63,321	
June	35,849,301	25,717,900	10,131,401	128,590	71,764	
July	35,849,301	25,717,900	10,131,401	128,590	71,764	
August	39,535,439	25,717,900	13,817,539	128,590	97,874	
	Total Interest Expense			$974,624	$487,077	$1,461,701

CHRIS-CRAFT INDUSTRIES, INC.
INTEREST EXPENSE ON CASH PORTION OF
INVESTMENT IN PIPER AIRCRAFT COMMON STOCK
FOR THE YEAR ENDED AUGUST 31, 1970

	INTEREST DETERMINANTS				INTEREST EXPENSE			
Month	Cash Investment At End of Month	6% Subordinated Debentures	Philadelphia National Bank $15,000,000 Loan at Prime	$15,000,000 Eurodollar Loan At 1 1/2% Over Prime	6% Debentures	Prime Loan	Eurodollar Loan at 1 1/2% Over Prime	Total Interest Expense
Sept.	$39,540,532	$25,717,900	$13,822,632	$ -	$ 128,590	$ 97,910	$ -	
October	39,570,589	25,717,900	13,852,689	-	128,590	98,123	-	
November	39,577,775	25,717,900	13,859,875	-	128,590	98,174	-	
December	39,587,158	25,717,900	13,869,258	-	128,590	98,241	-	
January	39,587,376	25,717,900	13,869,476	-	128,590	98,242	-	
February	39,604,994	25,717,900	13,887,094	-	128,590	98,296	-	
March	39,616,951	25,717,900	13,899,051	-	128,590	92,660	-	
April	39,618,260	25,717,900	-	13,900,360	128,590	-	120,122	
May	39,618,459	25,717,900	-	13,900,559	128,590	-	120,124	
June	39,670,178	25,717,900	-	13,952,278	128,590	-	120,571	
July	39,670,178	25,579,900	-	14,090,278	127,900	-	121,763	
August	39,717,978	25,579,900	-	14,138,078	127,899	-	122,177	
					$1,541,699	$681,646	$604,757	$2,828,102

CHRIS-CRAFT INDUSTRIES, INC.
INTEREST EXPENSE ON CASH PORTION OF
INVESTMENT IN PIPER AIRCRAFT COMMON STOCK
FOR THE YEAR ENDED AUGUST 31, 1971

Month	INTEREST DETERMINANTS: Cash Investment At End of Month	6% Subordinated Debentures	$15,000,000 Eurodollar Bank Loan At 1 1/2% Over Prime	INTEREST EXPENSE: 6% Debentures	Eurodollar At 1 1/2% Over Prime (1)	Total Interest Expense
September	$39,717,978	$25,579,900	$14,138,078	$ 127,900	$ 122,252	
October	39,717,978	25,579,900	14,138,078	127,899	122,252	
November	39,717,978	25,579,900	14,138,078	127,900	114,899	
December	39,717,978	25,579,900	14,138,078	127,899	114,887	
January	39,717,978	25,579,900	14,138,078	127,900	114,887	
February	39,717,978	25,579,900	14,138,078	127,899	114,887	
March	39,717,978	25,579,900	14,138,078	127,900	124,996	
April	39,717,978	25,579,900	14,138,078	127,899	124,996	
May	39,717,978	25,579,900	14,138,078	127,900	100,053	
June	39,717,978	25,579,900	14,138,078	127,899	100,053	
July	39,717,978	25,579,900	14,138,078	127,900	100,053	
August	39,717,978	25,579,900	14,138,078	127,899	102,159	
				$1,534,794	$1,356,374	$2,891,168

(1) The prime rate used herein was the Eurodollar prime rate.

897

CHRIS-CRAFT INDUSTRIES, INC.
INTEREST EXPENSE ON CASH PORTION OF
INVESTMENT IN PIPER AIRCRAFT COMMON STOCK
FOR THE YEAR ENDED AUGUST 31, 1972

	INTEREST DETERMINANTS			INTEREST EXPENSE		
Month	Cash Investment At End of Month	6% Subordinated Debentures	$15,000,000 Eurodollar Loan At 1 1/2% Over Prime	6% Debentures	Eurodollar Loan At 1 1/2% Over Prime (1)	Total Interest Expense
September	$39,717,978	$25,579,900	$14,138,078	$ 127,900	$ 100,053	
October	39,717,978	25,579,900	14,138,078	127,899	97,108	
November	39,717,978	25,579,900	14,138,078	127,900	97,071	
December	39,717,978	25,579,900	14,138,078	127,899	97,071	
January	39,717,978	25,579,900	14,138,078	127,900	97,071	
February	39,717,978	25,579,900	14,138,078	127,899	97,071	
March	39,717,978	25,579,900	14,138,078	127,900	97,071	
April	39,717,978	25,579,900	14,138,078	127,899	104,204	
May	39,717,978	25,579,900	14,138,078	127,900	82,360	
June	39,717,978	25,579,900	14,138,078	127,899	82,360	
July	39,717,978	25,579,900	14,138,078	127,900	80,963	
August	39,717,978	25,579,900	14,138,078	127,899	80,641	
				$1,534,794	$1,113,044	$2,647,838

(1) The prime rate used herein was the Eurodollar prime rate.

CHRIS-CRAFT INDUSTRIES, INC.
INTEREST EXPENSE ON CASH PORTION OF
INVESTMENT IN PIPER AIRCRAFT COMMON STOCK
FOR THE YEAR ENDED AUGUST 31, 1973

	INTEREST DETERMINANTS			INTEREST EXPENSE			
Month	Cash Investment At End of Month	8¾ & 10¾ Subordinated Debentures (1)	Philadelphia National Bank Loan at 1 1/2% Over Prime	8¾ & 10¾ Subordinated Debentures	Loan at 1 1/2% Over Prime	Total Interest Expense	Cash Investment Free Company Funds (2)
September	$39,717,978	$25,579,900	$14,138,078	$ 127,900	$ 82,472		-
October	39,717,978	25,579,900	14,138,078	127,899	85,418		-
November	39,732,244	25,579,900	14,152,344	127,900	85,504		-
December	39,732,244	25,579,900	14,152,344	127,899	88,452		-
January	39,776,855	25,579,900	14,196,955	127,900	88,731		-
February	39,794,512	25,579,900	14,214,612	127,899	91,803		-
March	39,841,726	25,579,900	14,261,826	127,900	95,079		-
April	39,886,052	25,579,900	14,306,152	127,899	98,355		-
May	39,903,236	25,579,900	14,323,336	127,900	104,441		-
June	39,903,236	25,579,900	13,500,000	127,899	104,062		823,336
July	39,903,236	25,579,900	12,000,000	127,900	102,500		2,323,336
August	39,954,821	25,579,900	14,000,000	127,899	131,250		374,921
				$1,534,794	$1,158,067	$2,692,861	

Please See Notes On Following Page

(1) In September 1972, $7,680,000 of the 6% subordinated debentures were exchanged for $4,608,000 of the 10% subordinated debentures. These debentures have been combined here for simplicity, since there is no change in the interest expense as a result of the exchange as is shown below:

Before exchange

$22,399,900 debentures @6% = $1,534,794 annual interest

After exchange

$17,899,900 debentures @ 6%	=	$1,073,994
4,608,000 debentures @10%	=	460,800
		$1,534,794 annual interest

(2) No interest expense has been provided on this excess of cash investment over funds borrowed.

CHRIS-CRAFT INDUSTRIES, INC.
INTEREST EXPENSE ON CASH PORTION OF
INVESTMENT IN PIPER AIRCRAFT COMMON STOCK
FOR THE SIX MONTHS ENDED FEBRUARY 28, 1974

		INTEREST DETERMINANTS					
Month	Cash Investment At End of Month	6% & 10% Subordinated Debentures	Philadelphia National Bank Loan At 1 1/2% Over Prime(1)	6% & 10% Subordinated Debentures	Loan At 1 1/2% Over Prime	Total Interest Expense	Cash Investment From Company Funds (2)
September	$39,988,208	$25,579,900	$14,000,000	$127,900	$134,167		$408,308
October	40,024,752	25,579,900	14,000,000	127,900	131,250		444,852
November	40,027,928	25,579,900	14,000,000	127,900	131,250		448,028
December	40,036,709	25,579,900	14,000,000	127,900	128,333		456,809
January	40,036,709	25,579,900	14,000,000	127,900	125,417		456,809
February	40,036,709	25,579,900	14,000,000	127,900	116,667		456,809
				$767,400	$767,084	$1,534,484	

(1) Reference is made to Note (1) on the schedule for the year ended August 31, 1973, in which the 6% debenture exchange to 10% debentures is discussed.

(2) No interest expense has been provided on this excess of cash investment over funds borrowed. We have assumed that Company funds were used and have not considered any lost opportunity cost.

PLAINTIFF'S EXHIBIT
U.S. DIST. COURT
S.D. OF N.Y.
DTP 10

PIPER AIRCRAFT CORPORATION

COMPARISON OF PROJECTED VERSUS ACTUAL INCOME

(In Dollars)

FOR THE THREE FISCAL YEARS ENDED SEPTEMBER 30, 1973

	1973			1973	1972			1972	1971			1971
	Projected	Actual	Difference	% of Difference to Projected	Projected	Actual	Difference	% of Difference to Projected	Projected	Actual	Difference	% of Difference to Projected
Sales	$131,200,000	$127,614,000	($ 3,586,000)	3	$97,800,000	$74,623,000	($23,177,000)	24	$64,900,000	$63,210,000	($1,690,000)	3
Direct costs and manufacturing	98,328,000	108,522,000	(10,194,000)	10	78,481,000	64,121,000	14,360,000	18	54,654,000	58,887,000	(4,233,000)	8
Gross profit	32,872,000	19,092,000	(13,780,000)	42	19,319,000	10,502,000	(8,817,000)	46	10,246,000	4,323,000	(5,923,000)	58
Selling and administrative expenses	13,120,000	10,314,000	2,806,000	21	10,758,000	6,713,000	4,045,000	38	9,480,000	7,412,000	2,068,000	22
Pretax income (loss)	19,752,000	8,778,000	(10,974,000)	56	8,561,000	3,789,000	(4,772,000)	56	766,000	(3,089,000)	(3,855,000)	503
Provision for taxes (refund)	9,876,000	4,422,000	5,454,000	55	4,281,000	1,935,000	2,346,000	55	383,000	(1,797,000)	2,180,000	569
Income before extraordinary item	9,876,000	4,356,000	(5,520,000)	56	4,280,000	1,854,000	(2,426,000)	57	383,000	(1,292,000)	(1,675,000)	438
Extraordinary item	-	-	-	-	-	(6,848,000)	(6,848,000)	-	-	-	-	-
Net income (loss)	$ 9,876,000	$ 4,356,000	($ 5,520,000)	56	$ 4,280,000	($ 4,994,000)	($ 9,274,000)	217	$ 383,000	($ 1,292,000)	($1,675,000)	438
Earnings per share:												
Income before extraordinary item	$6.00	$2.65	($3.35)	56	$2.60	$1.13	($1.47)	56	$.23	($.79)	($1.02)	444
Extraordinary item	-	-	-	-	-	(4.16)	(4.16)	-	-	-	-	-
Net income	$6.00	$2.65	($3.35)	56	$2.60	($3.03)	($5.63)	217	$.23	($.79)	($1.02)	444

NOTE: All projected data was taken from Exhibit 2 of the Drexel Firestone, Incorporated study of Piper Aircraft Corporation dated March 10, 1971.

206

PIPER AIRCRAFT CORPORATION

COMPARISON OF PROJECTED VERSUS ACTUAL INCOME

(IN PERCENTAGES OF SALES)

FOR THE THREE FISCAL YEARS ENDED SEPTEMBER 30, 1973

	1973			1972			1971		
	Projected	Actual	Difference	Projected	Actual	Difference	Projected	Actual	Difference
SALES	100.0%	100.0%	- %	100.0%	100.0%	- %	100.0%	100.0%	- %
DIRECT COSTS AND MANUFACTURING	74.9	85.0	(10.1)	80.2	85.9	(5.7)	84.2	93.2	(9.0)
GROSS PROFIT	25.1	15.0	(10.1)	19.8	14.1	(5.7)	15.8	6.8	(9.0)
SELLING AND ADMINISTRATIVE EXPENSES	10.0	8.1	1.9	11.0	9.0	2.0	14.6	11.7	2.9
PRE TAX INCOME (LOSS)	15.1	6.9	(8.2)	8.8	5.1	(3.7)	1.2	(4.9)	(6.1)
PROVISION FOR TAXES (REFUND)	7.6	3.5	4.1	4.4	2.6	1.8	0.6	(2.8)	3.4
INCOME BEFORE EXTRAORDINARY ITEM	7.5	3.4	(4.1)	4.4	2.5	(1.9)	0.6	(2.1)	(2.7)
EXTRAORDINARY ITEM	-	-	-	-	(9.2)	(9.2)	-	-	-
Net income (loss)	7.5%	3.4%	(4.1%)	4.4%	(6.7%)	(11.1%)	0.6%	(2.1%)	(2.7%)

NOTE: All projected data was taken from Exhibit 2 of the Drexel Firestone, Incorporated study of Piper Aircraft Corporation dated March 10, 1971.

PLAINTIFF's Ex. 157

Oppenheimer & Co.
MEMBERS NEW YORK STOCK EXCHANGE
ONE NEW YORK PLAZA, NEW YORK CITY 10004, (212) 825 4000, CABLE ADDRESS: MOPENER NEW YORK

REPORT ON DAMAGES

CHRIS-CRAFT INDUSTRIES, INC. v.

PIPER AIRCRAFT CORP. et al.

March 26, 1974

Oppenheimer & Co.

ONE NEW YORK PLAZA, NEW YORK CITY 10004, (212) 825 4000, CABLE ADDRESS: MOPENER NEW YORK

ROBERT ROSENKRANZ, PARTNER

905

March 26, 1974

Paul, Weiss, Rifkind, Wharton & Garrison
345 Park Avenue
New York, New York 10022

Gentlemen:

Enclosed herewith is a report on damages which we prepared at your request in connection with Chris-Craft Industries, Inc. v. Piper Aircraft Corporation, et al.

I was principally responsible for the preparation of this report, which represents the professional opinion of our firm as investment bankers.

Very truly yours,

OPPENHEIMER & CO.

By Robert Rosenkranz
Robert Rosenkranz

Enclosure

TABLE OF CONTENTS

		Page
I -	CONCLUSIONS	1
II -	FACTORS CONSIDERED	4
III -	ANALYTIC SUMMARY	9
	A - The Situation in August, 1969	9
	B - The Situation as of September, 1969	14
	1. Illiquidity Discount	18
	2. Appraisal Valuation	21
	3. Private Company Valuation	25
IV -	PIPER AIRCRAFT CORPORATION AND THE GENERAL AVIATION INDUSTRY	27
	A - The General Aviation Industry	27
	B - Piper Aircraft Corporation	31
	C - Cessna Aircraft Company	38
	D - Beech Aircraft Corporation	43
EXHIBITS AND APPENDIX		48

I - CONCLUSIONS

At the request of Chris-Craft Industries, Inc. (Chris-Craft) through its Counsel, Messrs. Paul, Weiss, Rifkind, Wharton & Garrison, Oppenheimer & Co. undertook an analysis of Piper Aircraft Corporation (Piper) in connection with the pending action in the United States District Court for the Southern District of New York, Chris-Craft Industries, Inc. against Piper Aircraft Corporation and others. The Court of Appeals for the Second Circuit formulated a standard of damages requiring the District Court to evaluate "the reduction in the appraisal value of Chris-Craft's Piper holdings attributable to Bangor Punta's taking a majority position and reducing Chris-Craft to a minority position and thus being able to compel a merger at any time". (480 F.2d at 380)

Plaintiff's Memorandum of Law on Damages and Injunctive Relief filed with the District Court on December 31st, 1973 certified two principal questions for Oppenheimer & Co.'s consideration:

(1) Assume that in early August of 1969, the stock ownership of Piper was divided as follows: 41% Chris-Craft; 31% Bangor Punta; and 28% in the hands of the public. State your opinion of the value of Chris-Craft's block of Piper stock

as of that date, setting forth the reasons for such opinion.

In our opinion, the value of Chris-Craft's block in early August of 1969 (697,495 shares), as a plurality block on the foregoing assumptions, was at least $58 per share or $40,5 million. In reaching this conclusion, we took into account the considerations set forth under the heading, "Factors Considered" below and the reasoning set forth under the heading, "Analytic Summary" below.

(2) Assume now that as of the beginning of September 1969 the ownership of Piper was divided as follows: Bangor Punta 51%; Chris-Craft 42%; and the public 7%. Assume further that Bangor Punta as the holder of more than 50% of Piper's stock, has the power to compel a merger at any time, and that the minority stockholders' only recourse if they dissent is to seek an appraisal of their shares under Pennsylvania Law. In such circumstances, state your opinion, as of September 1969, of the amount of the reduction in the value of Chris-Craft's block of stock, as valued by you in answer to the preceding question, attributable to Bangor Punta's taking a majority position and reducing Chris-Craft to a minority position and thus being able to compel a merger at any time. Give your reasons for this opinion.

In our opinion, the value of Chris-Craft's ownership of Piper as of September 1969 (697,495 shares), as a minority block based on the foregoing assumptions, was not more than $20-$23 per share or $14-$16 million, and the reduction in value attributable to Bangor Punta's taking a majority position was in a range not less than $24.5 to $26.5 million. In reaching this conclusion, we took into account the considerations set forth under the heading, "Factors Considered" below and the reasoning summarized in the heading, "Analytic Summary" below.

II - FACTORS CONSIDERED:

In our consideration of the questions certified above, we have relied upon the accuracy of the business and financial information relating to Piper Aircraft Corporation, Bangor Punta Corporation, and Chris-Craft Industries, Inc. contained in their annual reports, in their periodic financial reports to the Securities & Exchange Commission and, in the case of Chris-Craft and Bangor Punta, the Registration Statements in connection with their exchange offers for Piper. We have adopted as our own the fact findings in the District Court to the extent confirmed in the decision rendered by the Court of Appeals. Important sources of information included the following:

1 - We have reviewed the annual reports from 1960 to date, and have analyzed Piper's statements of financial condition and consolidated statements of income and loss for that period.

2 - We have reviewed and analyzed the market price and the trading activity in Piper shares on the New York Stock Exchange from 1960 through 1969 and on the Philadelphia/Baltimore/Washington Exchange from 1969 to date.

3 - We have reviewed and analyzed the statements of financial condition and the consolidated statements of income and loss for Cessna Aircraft Corporation (Cessna) from 1960 to date.

4 - We have reviewed and analyzed the statements of financial condition and the consolidated statements of income and loss for Beech Aircraft Company (Beech) from 1960 to date.

5 - We have reviewed market price and trading activity data in the shares of Cessna and Beech.

6 - We have considered Piper's market position and changes in its market share relative to its industry from 1960 to date.

7 - We have considered Piper's stock market price/earnings multiple both absolutely and relative to the other two principal companies in its industry, as well as to more broadly based common stock indices.

8 - We have reviewed a study and forecast of the economic outlook as of 1969 prepared by Arthur D. Little and Company.

9 - We have reviewed a study and forecast dated December 15, 1972 prepared by Lehman Brothers on the general aviation industry.

10 - We have asked the United States Trust Company's economic forecasting unit to prepare a forecast of Piper's sales and earnings based on data that was available in 1969, and an analysis of Piper's growth rate and cyclicality in terms of both sales and earnings prior to 1969.

11 - We have reviewed historic returns on net worth through the third quarter of 1969 for American industry generally.

12 - We considered historic growth rates of sales and earnings for 49 industrial segments as calculated by United States Trust Company.

13 - We considered percentage variations from trend in sales and earnings for 49 industrial segments as calculated by United States Trust Company.

14 - We have reviewed and analyzed a representative series of transactions in 1969 and 1970 involving the purchase of "investment letter" common stock of public companies.

15 - We reviewed a series of cases in which the courts have valued large blocks of stock at a discount from prevailing market prices, primarily in the context of estate and gift tax valuations.

16 - We have reviewed press releases and other materials relevant to Bangor Punta's intention to merge.

17 - We have familiarized ourselves with the appraisal procedure under the laws of Pennsylvania, and have reviewed journal articles concerning the appraisal remedy and summarizing the valuation standards applied in appraisal cases.

18 - We reviewed the stock market price multiples of a representative group of companies with material earnings from less than wholly-owned subsidiaries.

19 - We reviewed a series of transactions where shares representing voting or actual control were valued at premiums relative to the other shares.

20 - We have reviewed the minutes of Piper's directors meetings from 1969 to date.

21 - We have reviewed Bangor Punta's Registration Statement in connection with the Piper Exchange Offer.

22 - We have reviewed the annual reports of Bangor Punta Corporation from 1968 to date and have analyzed the statements of financial condition and the consolidated statements of profits and loss contained therein.

23 - We have been associated with Chris-Craft as financial advisors since June 1972.

24 - We have reviewed Chris-Craft's Registration Statement in connection with the Piper Exchange Offer.

25 - We have reviewed Chris-Craft's annual reports from 1968 to date and analyzed the statements of financial condition and the consolidated statements of profit and loss contained therein.

26 - We have held discussions with the principal executive officers of Chris-Craft regarding the Piper investment.

III - ANALYTIC SUMMARY

A - The Situation in August, 1969

In our conclusion above, we indicated that in our opinion, the value of Chris-Craft's stock ownership in Piper was not less than $40.5 million on the assumption that the stock ownership of Piper was divided as follows: 41% Chris-Craft; 31% Bangor Punta; and 28% in the hands of the public.

The following summarizes our analysis and reasoning. As indicated, we gave consideration to the information and factors outlined above in reaching our conclusion. In the absence of important countervailing considerations, the price at which a security sells in a broad and representative market is normally the basis for valuation. Piper's common stock was listed on the New York Stock Exchange. The volume of trading in relation to the float was even greater than for the average company listed on the New York Stock Exchange. This indicates that the market in Piper shares was particularly broad and representative.

On August 8, 1969 (the last day before trading was suspended on the New York Stock Exchange), Piper's common stock closed at $69.50. During July, its range had been from $62 to $73.

We do not feel that the New York Stock Exchange market price as of August 1969 could be a sole indication of value because that market was then affected, as it had been since the beginning of the year, by the contest for control being waged by Chris-Craft and later Bangor Punta. Therefore, we sought to establish a market price on the assumption that the control contest was not a factor.

There are a number of ways of estimating the price at which Piper would have sold during August 1969 in the absence of a control fight. The last quotation for Piper in December 1968, prior to the first material purchases by Chris-Craft, was $53.50 per share. At this point, Cessna Aircraft Corporation, Piper's leading competitor, was selling at $52.25 per share and the Standard & Poor's Industrial Stock Index was at 113.02. By the end of August, the Standard & Poor's average had declined to 105.46 or by approximately 7%. Cessna, however, was trading at approximately $52 all month adjusted for a 2 for 1 split, or roughly the same as the price prevailing at the end of December. The fact that Cessna out-performed the general market during this period is probably attributable to the gains in earnings that Cessna was showing for 1969 compared with 1968. Cessna showed a gain of 19% for 1969 over the prior year. Piper had an even stronger showing in 1969 when it achieved a 25% increase in earnings compared with the prior year. Moreover, about 25% of Cessna's business (but only 0.4%

of Piper's) was related to military and aerospace spending. This market segment performed dismally during the period. (The Standard & Poor's Aerospace Index fell from 94.87 at the end of December 1968 to 69.64 by June and 55.87 by September 1969). Thus, Piper's superior earnings performance and mix of business, would, in our judgment, have resulted in Piper stock out-performing both Cessna and the Standard & Poor's averages over this period.

At the end of 1968, the Standard & Poor's index closed at earnings multiple of 18.4. Piper's multiple, at this point, was 22.5, or 122 percent of the Standard & Poor's multiple. If this relationship were maintained through August 1969, Piper's stock price would have been $59.13 (122 percent of the August Standard & Poor's multiple of 16.6 is 20.25 times Piper's 1969 earnings of $2.92 yields a price of $59.13).

At the end of 1968, Cessna's stock price of $52.75 represented a multiple of 13.75 times earnings. Piper's multiple at this point was 22.5, or 163 percent of the Cessna multiple. If this relationship were mtaintained through August 1969 Piper's stock price would have been $56.64. (163 percent of the August Cessna multiple of 11.9 is 19.4 times Piper's 1969 earnings of $2.92 yields a price of $56.64).

Another approach is to value Piper on the basis of a long term average multiple. Piper's average multiple for the 9 year period 1960 through 1968, computed each quarter for the prior 12 months was 20.2. Applying this multiple to $2.92 in earnings yields a stock price of $58.98.

Averaging the three figures, $59.13, $56.61 and $58.96 produces a value of $58.23. Our best estimate is that Piper would have sold at approximately $58 per share in August 1969, absent the contest for control. Such a price level would have been consistent with Piper's long term average earnings multiple and would have borne a reasonable relationship to the changes in the Standard & Poor's Industrial Index and in the price of Cessna common stock during the period from the beginning of the control contest in light of Piper's superior earnings performance and mix of business.*

Fifty-eight dollars per share is our best estimate of what 100 shares of Piper would have sold for on the New York Stock Exchange in August 1969 in the absence of a fight for control. In our judgment, Chris-Craft's Piper block would

---

* It should be noted that this price assumes a significant deterioration in Piper's earnings multiple from the end of 1968; had Piper maintained its year-end multiple of 22.5, its August 1969 price would have been approximately $66 per share.

have been marketable at not less than this figure. The block could not have been sold in a public distribution without a registration statement and substantial underwriting expenses. However, but for the shares held to have been acquired illegally by Bangor Punta, Chris-Craft would have had a plurality of the Piper stock. While the Court of Appeals indicates that Chris-Craft did not demonstrate that it would have gained control, any purchaser of its block would have been in a commanding position. Another company wishing to obtain majority control would have needed in addition only 9% of the shares to reach over 50% compared to Bangor Punta's requirement for an additional 19%. Looked at another way, Chris-Craft had to buy less than one-third of the public float and Bangor more than two-thirds, in order to gain control. Even if one assumes that Bangor Punta owned 37% to Chris-Craft's 41%, we would still regard Chris-Craft or any purchaser of its position as having a clear advantage in the competition for control. If Bangor Punta itself had wanted to gain majority control, it would have had to deal with Chris-Craft.

One indication of the value of a plurality is that the Piper family was able to sell a block of 30% of Piper stock to Bangor Punta in May of 1969 for a package of securities then

valued at $70-$72 per share, with a provision for an extra payment bringing the total consideration to $80 per share contingent upon Bangor Punta's obtaining majority control. A parallel indication of the value of the plurality is the sale of a block of 78,600 shares by Fund of Funds Proprietary Fund, Inc. to Bangor Punta at $79.25 per share on May 14, 1969; that purchase price represented a premium of 8 percent over the then prevailing New York Stock Exchange price of $72 3/4.

The actual premium that Chris-Craft could have obtained for its plurality is a matter of opinion. We can conclude, however, with a high degree of conviction, its position would have been readily marketable at not less than the 100 share value of $58 per share.

B - The Situation as of September, 1969

Under the heading "Conclusion" above, we indicated our opinion that the value of Chris-Craft's position in Piper as of September 1969 was no more than $14 to $16 million, and that the reduction in value attributable to Bangor Punta's taking a majority position was in a range not less than $24.5 to $26.5 million. This conclusion assumed the ownership of Piper was divided as follows: Bangor Punta 51%; Chris-Craft 42%; and the public 7%. It further assumed that Bangor Punta, as

the holder of more than 50% of Piper's stock, had the power to compel a merger at any time, and that Chris-Craft's only recourse, if it dissents, is to seek an appraisal of its shares.

In our view, the shift in Bangor Punta's ownership position to majority status drastically altered Chris-Craft's position, both in terms of valuation and marketability. As a plurality block, the position carried with it the potential for Chris-Craft or any purchaser of its position (including Bangor Punta) to obtain control. Once Bangor Punta had 51% Chris-Craft's bargaining position was undermined.

There are many ramifications of a control position:

First, control carries with it the right to choose management and set policy, critical issues in a business as cyclical as Piper's.

Second, control carries with it the right to declare dividends and hence access to the cash flow generated by the investment.

Third, under the accounting rules prevailing in September 1969, control carries with it the ability to report

earnings on an equity basis. Chris-Craft or any purchaser of its position would have been limited to declared dividends for its own earnings report. Bangor Punta would, of course, be under no compulsion to declare dividends in order to maintain its own earnings per share.

Fourth, we feel, as did the Court of Appeals, that there is particular significance to the fact that Chris-Craft or any purchaser of its position, was subject to Bangor Punta's "being able to compel a merger at any time". Bangor Punta was in a position to force a merger at the bottom of one of Piper's business cycles and could offer a miscellaneous package of securities chosen for its own advantage.

The only recourse available to Chris-Craft, or anyone purchasing its position if Bangor Punta forced a merger would be the appraisal procedure. The procedure offers no protection whatsoever against being compelled to sell one's position at the bottom of a business cycle. Obviously, companies are valued lower at cyclical bottoms and there is a likelihood that

Bangor Punta would have chosen precisely this occasion to compel a merger.

These factors go not only to valuation but also to marketability. Given Bangor Punta's control position, no industrial company with public shareholders would have been a likely purchaser of Chris-Craft's position because it would thereby be tying up capital with no return for financial reporting purposes. Few privately owned industrial companies could contemplate an investment of this magnitude in a permanent minority position. Most institutional investors such as insurance companies and mutual funds are barred either by law or policy from purchasing so sizeable a percentage ownership. Marketability through a public distribution was also severely constrained if not practically eliminated. The trading in Piper was so thin that a non-underwritten distribution would have been virtually impossible. A responsible underwriter would, in our view, have had serious reservations about managing a distribution threatened by merger at any time.

In attempting to quantify the impact of the foregoing considerations on the evaluation of Chris-Craft's Piper block we employed three alternative approaches. First, we viewed Piper as a public company with the market price as a basic indicator of value, subject, however, to a discount for

the illiquidity of Chris-Craft's position. Second, we considered Chris-Craft's position as a potential litigant in an appraisal proceeding and attempted to estimate the price at which an arm's length purchaser would be willing to assume Chris-Craft's position. Third, we viewed Piper as a private corporation, assessed its investment worth and applied an appropriate discount for the minority status of Chris-Craft's position. Each of these approaches produced valuations in the range from $20 to $23. Thus, the three methods tend to corroborate each other and support the conclusion that following Bangor Punta's obtaining majority control the Chris-Craft block was worth no more than $20-$23 per share.

1. Illiquidity Discount

As indicated, our first approach viewed Piper as a public company with the market price as basic indicator of value, but subject to a discount for the illiquidity of Chris-Craft's position.

Our best estimate of the market value of 100 shares of Piper stock in August 1969, absent the contest for control was $58 per share. This valuation is subject, however, to a substantial discount factor related to the fact that the block was roughly six times the size of the float remaining after the

close of the contest for control. Equally significant it could not be publicly distributed without a registration statement, which requires the cooperation of management. In arriving at a discount to reflect these two factors, we were influenced by a number of relevant factual precedents.

Probably most important are precedents involving contemporaneous transactions in letter stock. In these instances, the discount at which letter stock sold reflected the market's appraisal of the value of liquidity. The transactions we reviewed had discounts ranging from 4% to 50%, averaging approximately 25% on a weighted basis and 30% unweighted. Moreover, by September 1969, the demand for letter stock was reduced and few if any letter stock buyers could have contemplated a single investment as large as Chris-Craft's Piper block.

Also pertinent were the cases involving large blocks. These cases involved discounts from 8% to 30%. We noted the larger the block and the more illiquid the position, the more substantial the discount. These situations involve liquidity constraints far less severe than that in Chris-Craft's situation because the letter stock examples invariably carried with them a contractual right to demand a registration statement, and none of the blocks were so large in proportion to the float.

Bangor Punta's announced intention to merge would have posed severe obstacles to an underwritten public secondary distribution. The underwriter of such a distribution would be in a precarious ethical position of selling common stock in Piper which could at any time be turned into Bangor Punta securities of uncertain worth and investment characteristics. In addition, the underwriters would have legal responsibility for a registration statement that would have omitted perhaps the major investment consideration: namely, the package of Bangor Punta securities to be received upon a merger. The significance of this is that investors may purchase Piper common stock on the underwriter's good faith recommendations and end up with a package of securities of Bangor Punta, an issue with very different investment characteristics; and, moreover a package timed and structured by Bangor Punta in its own best interests.

In view of the severity of the liquidity constraints discussed above, in our judgment a 60% discount from estimated market value of $58 per share would have been appropriate, thus valuing Chris-Craft's Piper shares at $23.20.

2. Appraisal Valuation

Once Bangor Punta gained a 50 percent majority of Piper stock, the only realistic purchaser, in our opinion, was Bangor Punta and Bangor Punta, as it was well aware, had an enormous bargaining advantage over Chris-Craft.

In negotiations between Bangor Punta and Chris-Craft, emphasis would naturally have focused on the value of Chris-Craft's interest in appraisal proceedings, inasmuch as Bangor Punta had the power to compel Chris-Craft to sell at this figure at any time that suited its purposes.

It should be noted that what is relevant here, in our judgment, is not the valuation we would have made had Piper been the subject of a merger appraisal proceeding in September 1969. Rather, it is the price at which we believe an arm's length purchaser would have been willing to assume Chris-Craft's position. An arm's length purchaser of Chris-Craft's position is, in effect, purchasing the right to litigate with Bangor Punta in an appraisal proceeding. The ultimate value of that right is the average expected appraisal value. However, no purchaser at arm's length would pay that average expectancy; he would pay substantially less because he would be bearing the expenses of litigation, incurring time delays and

exposing himself to the risk of a worse than average outcome in an area of the law characterized by considerable uncertainty. Moreover, the purchaser would not be counting on an appraisal as of September 1969 but rather on one at an indeterminate future time, possibly a cyclical low chosen in Bangor Punta's own interest. We have attempted to estimate the appraisal value, not as lawyers, but as investment bankers attempting to forecast in September 1969 what an appraisal proceeding would eventually yield.

As we understand the Pennsylvania appraisal cases, a myriad of factors are distilled into three principal methods of valuation: (1) net asset value; (2) actual market value and (3) investment value. The cases offer little guidance as to how these factors are to be weighed.

Piper's net asset value as of September 30, 1969 was $23.01 per share, taking the asset values indicated on Piper's books.

Actual market value refers to the price at which the stock was selling on the market prior to the merger which is objected to and disregarding any change in price due to the merger proposal. A prospective purchaser of Chris-Craft's Piper

position could not have considered market price of particular significance. Once Bangor Punta gained majority control of Piper the market for Piper stock on the Philadelphia/Baltimore/Washington Exchange became thin and unrepresentative and particularly vulnerable to price declines at cyclical lows.

The third factor which appraisal proceedings consider is investment value. This has been defined as "an estimate of present worth in light of past, present and prospective financial records of the company and is obtained by capitalizing earnings. There are two basic steps in the capitalization process: calculation of a representative annual earnings figure, and choice of a capitalization ratio which reflects the stability and predictability of earnings of the particular corporation." (In re Watt & Shand, 304 A.2d 694, 698).

In assessing the investment value of Piper, we felt the Company should be placed in the context of American manufacturing companies generally.

In 1969, the average of all manufacturing companies in the United States earned 12.1% on shareholders' equity. Although Piper grew faster than average in both sales and

earnings and historically had earned a greater than average return on its own equity, it was an exceptionally cyclical company in a cyclical industry. At our request, the United States Trust Company calculated the historic growth rates and variability for the general aviation industry. For comparative purposes, they supplied measures of variations from sales and earnings trends for 49 other industries. The general aviation industry was more cyclical in terms of sales than all of the 49 groups and more cyclical in terms of earnings than 47 of the 49. The greater cyclicality of the industry would make an arm's length purchaser demand a higher yield. On balance, we felt that the earnings of Piper Aircraft should be capitalized to yield 11% in calculating its investment value. (This yield compares with a 15% yield used by Bangor Punta's expert witness in his district court testimony; the higher yield would, of course, produce a lower valuation). Capitalizing Piper's fiscal 1969 earnings of $2.92 at 11% yields an investment valuation of $26.54.

A potential purchaser of the Chris-Craft block of Piper shares buying with a view toward the risk of being merged out, would thus be contemplating a legal proceeding in which three methods of valuation would be weighed. The first method was net asset value which would have produced a figure of

$23.01 per share. The second was market value, which probably could not be considered at all by a potential purchaser since he would have no way of knowing what the market would be when Bangor Punta chose to merge nor what weight a court would accord to a market as thin and unrepresentative as the Philadelphia/Baltimore/Washington market in Piper. The third method was investment value, which we estimated at $26.54.

Looking at these considerations, a potential purchaser of Chris-Craft's position could have contemplated an average appraisal price in the $25-$28 range, but, in view of the inherent risks and time delays would have paid no more than $20 to step into Chris-Craft's shoes.

3. Private Company Valuation

We have tested the values produced by the foregoing methods by a third approach--the values of Piper as a private company. The increase in Bangor Punta holdings of 31% to 51% had the effect of converting Piper from a public company to a de facto private corporation with a public market so limited as to be meaningless for Chris-Craft.

As a private company, we believe Piper's value was the investment value of $26.54. This investment value represents the price we felt an industrialist would pay for the entire Piper enterprise in September 1969 in view of its earnings,

growth and cyclicality in relation to the yardsticks prevailing among American industry generally. However, a minority position is not, in our judgment, worth as much as its pro-rata share of the enterprise. Cases which have established discounts for a minority position have used percentages up to 35%. We would feel that a discount of at least 20% would be required, bringing the per share value to not more than $21.23.

To conclude, three independent approaches to value were employed, but the range of values suggested were clustered in a relatively narrow range from $20 to $23.20. In our judgment, $20-$23 per share or $14 to $16 million represents a fair evaluation of Chris-Craft's block in September 1969 after Bangor Punta gained majority control; and the reduction in value attributable to Bangor Punta's taking a majority position was between $24.5 and $26.5 million.

IV. - PIPER AIRCRAFT CORPORATION AND THE GENERAL AVIATION INDUSTRY

A - The General Aviation Industry

The general aviation industry in 1968 consisted of 16 firms of whom three, Piper, Beech and Cessna, were dominant. Total light aircraft sales in 1968 were $591 million, of which the three dominant companies accounted for approximately 80% of sales and for about 89% of units produced.

The top six companies (the Big Three plus Aero Commander, Lear Jet and Mooney) represented 98% of industry sales and 96% of units produced. In 1968, Piper accounted for approximately 20% of light aircraft sales and 31% of unit shipments. The following table indicates the breakdown of dollar and unit shipments during 1968 for the six principal companies in the industry:

1968 LIGHT AIRCRAFT SHIPMENTS

	Unit Shipments In Thousands	%	$ Billings In Millions	%
Cessna	6.6	48.5%	$143.0	33.6%
Beech	1.3	9.6	115.7	27.2
Piper	4.2	30.9	83.5	19.6
Aero Commander	0.4	2.9	22.5	5.3
Mooney	.6	4.4	24.7	5.8
6 Lear Jet	.0	0.0	28.7	6.7
Other	0.5	3.7	7.6	1.8
	13.6	100.0%	$425.7	100.0%
Turbo Prop & Turbo Jet	.3		165.1	
	13.9		$590.8	

The history of the light aircraft industry prior to 1969 was characterized by substantially faster than average growth coupled with a high degree of cyclicality. These characteristics would have seemed likely to continue based on the data available in 1969 and basically continue today. During the period 1958 to 1969, the light aircraft industry had an average growth rate of 10%. During the five years 1963 to 1968, consumer aircraft sales increased about 9.5% per annum on average according to Arthur D. Little "Growth Patterns of United States Industries In the 70's", July 1969. By way of comparison, total Gross National Product showed an average annual gain of 5.2% from 1963 to 1968 and 6.8% from 1958 to 1968.

Although light aircraft was a growth industry there were very large cyclical deviations from historic growth trends. The following table shows the patterns of recession and recovery for the general aviation industry:

RECESSION AND RECOVERY FOR THE GENERAL AVIATION INDUSTRY

	% Change in GA Revenues	
	Recession	Recovery
Recession 1957	-3.9%	
Recovery 1958-1960		+ 51.1%

	% Change in GA Revenues	
	Recession	Recovery
Recession 1961	-17.8%	
Recovery 1962-1966		+211.3%
Recession 1967	-12.9%	
Recovery 1968-1969		+ 41.8%

SOURCES: FAA Statistical Handbook of Aviation, 1970, General Aviation Manufacturers Association Shipment Reports, and personal communication with the FAA).

According to an analysis of the industry undertaken by the United States Trust Company at our request, light aircraft sales are highly correlated to expenditures in producers durable equipment and also by taking into account personal disposable income. (See Appendix)

Probably the most significant measure of cyclicality of an industry is the average percentage variation of its sales and earnings around the long-term trend lines. The Appendix indicates the growth rates in sales and earnings and the variability in sales and earnings during the 1958 to 1972 period for 49 industrial groups. During the 1958 to 1969 period, general aviation industry sales had a variability of 20% around trend or a greater variability than any of the other industry categories surveyed. Industry earnings had a variability of 31.7% around trend, a greater variability than 47 of the 49 industry groups. Piper sales were less variable

than its industry (15.5% vs. 20%), but its earnings were more volatile (47.6% vs. 31.7%).

In terms of share of market, Piper held fairly stable over the period 1963 to 1968, both in terms of unit and dollar sales of the smaller and less expensive aircraft that constituted its principal product lines. Piper's share of industry market is set forth below for 1960 through 1969.

PIPER AIRCRAFT CORPORATION
(1960-1969)
Share of Industry Market

Year Ended 9/30	UNITS			$ SHIPMENTS*		
	(1) Industry	Piper	%	(1) Industry	(2) Piper	%
1969	12,500	4,077	33	355,000	106,569	30.0
1968	14,000	4,474	32	340,000	96,724	28.4
1967	13,000	4,302	33	270,000	80,439	29.8
1966	14,667	4,284	29	305,000	81,313	26.7
1965	10,952	3,818	35	235,000	69,086	29.4
1964	8,664	2,933	34	200,000	54,378	27.2
1963	7,246	2,177	30	156,000	38,090	24.4
1962	6,626	2,223	34	140,000	33,340	23.8
1961	6,915	2,476	36	135,000	31,410	23.0
1960	7,745	2,595	33	155,000	40,212	26.0

(1) Includes Commercial plane sales with a standard price under $200,000 plus estimated addition for industry other services, parts, etc.

(2) Includes Commercial plane sales, addition for other services, parts, etc., and Military plane sales.

* Source: Annual Reports.

Piper's market position in early 1969 appeared particularly strong because of its relative de-emphasis on military sales. Prior to 1969, the light aircraft industry had benefitted from its involvement in military and other governmental research and development programs. Piper, alone of the three principal producers, minimized its involvement in this area by selling only standard aircraft to the military. Arthur D. Little's 1969 Forecast estimated a sharp falloff of military spending relative to the growth in the economy. Projections prepared by the Utility Airplane Council of the Aerospace Industries Association also estimate aircraft sales for personal and instrumental use will grow faster than the industry generally. These are precisely the market segments where Piper was traditionally strong.

B - Piper Aircraft Corporation

Piper Aircraft Corporation, successor to a business founded in 1931, is the oldest of the three major manufacturers in the general aviation field. This field includes all non-military flying other than commercial airlines and air freight common carriers. Piper's executive offices and main plant are located at Lock Haven, Pennsylvania.

Piper's market tended to be more concentrated than that of its principal competitors in production of low-cost

single-engine aircraft. In its fiscal year ended September 30, 1968, approximately 85% of its unit output consisted of single-engine craft. Nearly half of output consisted of the Cherokee model, a two or four place, single-engine, low wing airplane of all metal construction with a fixed landing gear. The Cherokee had been in production since 1961, was available with a choice of horsepower ratings, and was utilized for business and private flying and student pilot training. List prices ranged from $9,600 to $17,990. Although in unit terms the sale of single-engine craft was the most important activity, twin-engine planes accounted for approximately 43% of revenues during fiscal 1966, 1967, and 1968,and this percentage had increased to 54% for the six months ended March 31, 1969. Generally, the larger and faster twin-engine aircraft are sold for business use.

Piper designs and builds the air frame and assembles the completed airplane, purchasing certain major components from others. These components include engines, propellers, wheels, tires, instruments, and electonic equipment.

Piper's basic marketing approach is to operate through distributors who, in turn, franchise dealers for the retail sale of Piper's product. There were 37 distributors

and approximately 450 dealers in the United States and Canada in 1969, as well as some 160 outlets abroad. Export sales were an important source of revenues, accounting for approximately 25% of the total.

The nature of Piper's business requires substantial expenditures for research and the development of new and improved models. These had historically been charged as operating expenses when incurred.

In 1969, Piper had approximately 4,880 employees who were primarily employed in Lock Haven, Pennsylvania and in satellite facilities, and in Vero Beach, Florida.

The following tables present summary and financial information from 1960 to 1973, as well as year-end statements of financial condition at the end of each of the years in question, and annual statements of profit and loss during the period:

PIPER AIRCRAFT CORPORATION

SUMMARY FINANCIAL INFORMATION

Year 9/30	Gross Revenues (Mils).	Profit Margins	Net Income (Thous.)	Working Capital (Mils.)	No. of Shares Outstd. (Thous.)	Earnings Per Share	Dividend Per Shr.	Dividend Payout	Price Range	Price/ Earnings Ratio	Yield
1960	$ 40.2	18.2%	$3,523	$ 5.1	1,609	$2.19	$0.73	.33	48 5/8 - 29 1/8	17.8	1.9
1961	31.4	4.1	855	13.6	1,609	.53	0.70	1.32	40 1/4 - 25 3/8	61.9	2.1
1962	33.3	11.3	1,770	14.9	1,609	1.10	0.67	.61	27 5/8 - 12 3/4	18.4	3.3
1963	38.1	14.4	2,618	16.9	1,609	1.63	0.73	.45	27 7/8 - 17 7/8	14.0	3.2
1964	54.4	16.7	4,481	19.4	1,619	2.77	1.02	.37	44 1/2 - 25	12.6	2.9
1965	69.1	17.5	6,198	22.1	1,623	2.83	1.40	.37	59 1/4 - 33 3/8	12.2	3.0
1966	81.3	16.2	6,871	23.2	6,128	4.22	1.55	.37	69 3/4 - 32	12.1	3.0
1967	80.4	7.6	2,991	31.8	1,638	1.83	1.40	.77	56 1/2 - 39 1/2	21.2	2.9
1968	96.7	8.5	3,863	32.8	1,640	2.36	1.40	.59	51 3/8 - 48 3/4	20.9	2.8
1969	106.6	9.6	4,801	32.9	1,645	2.92	1.40	.59	69 1/4 - 45 1/4	20.5	2.4
1970	68.4	NC	(776)	32.1	1,645	(.47)	0	0	57 - 11 1/4	NC	0
1971	63.2	NC	(1,233)	32.0	1,645	(.75)	0	0	25 1/4 - 14	NC	0
1972	74.6	5.6	1,854*	27.4	1,645	1.13	0	0	34 - 18 3/4	NC*	0
1973	127.6	7.4	4,356	42.6	1,645	2.65	0	0	30 3/4 - 20	9.6	0

NC = Non Calculable.

* Before extraordinary; after flood loss (net of applicable credits) net loss was $4.99 million or $3.03 per share.

PIPER AIRCRAFT CORPORATION
Summary Statements of Financial Condition
(In Millions of Dollars)

F.Y.E. Sept. 30:	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
ASSETS														
Cash	2.9	2.6	2.8	3.6	3.0	2.9	3.3	3.7	4.5	3.4	3.7	2.5	1.7	2.0
Short Term Securities	3.0		1.6	2.6	4.0	4.6								
Notes & Accts. Receivable	3.5	2.5	2.4	2.7	4.0	4.7	6.9	4.4	5.0	6.6	7.3	8.0	12.8	7.6
Total Inventories	10.5	10.8	11.8	12.6	16.6	17.7	28.8	32.0	32.2	39.4	32.9	32.5	36.3	58.8
Prepaid Expenses	.1	.2	.1	.1	.2	.2	.2	.2	.2	.4	.9	.5	.8	1.2
Total Current Assets	20.2	16.2	18.9	21.8	27.9	30.3	39.4	40.4	41.9	49.8	45.2	43.5	51.6	69.6
Deferred Charges and Other Assets	.1	.1	.1	.1	.2	.2	.2	.1	.2	.2	.3	.3	.3	.2
Fixed Assets														
Land	.4	.4	.4	.9	.2	.3	.4	.5	.8	.9	1.0	1.0	1.0	1.1
Buildings	3.6	4.7	4.8	4.8	5.5	6.7	9.3	11.4	11.8	13.7	14.1	14.2	14.3	14.9
Machinery & Equipment	2.6	3.2	3.2	3.3	3.2	3.8	5.2	6.6	7.9	9.7	10.1	10.0	10.3	12.7
Less: Accumulated Depreciation	2.3	2.8	3.5	4.1	4.4	4.9	5.6	7.1	8.4	9.4	10.1	10.0	11.8	12.9
Total Fixed Assets	3.9	5.1	4.5	4.1	4.6	6.0	9.3	11.5	12.1	15.0	15.1	14.0	13.7	15.8
TOTAL ASSETS	24.1	21.3	23.4	25.9	32.6	36.3	48.8	52.0	54.2	65.1	60.6	57.8	65.6	85.6

941

PIPER AIRCRAFT CORPORATION

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
LIABILITIES														
Current Liabilities	5.0	2.6	4.0	4.9	8.5	8.2	16.2	8.5	9.0	17.0	13.2	11.4	24.1	27.0
Notes Due								10.0	10.0	10.0	10.0	10.0	11.0	22.0
Stockholders' Equity														
Common Stock	1.0	1.0	1.0	1.0	1.0	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Capital Surplus	9.0	9.0	9.0	9.0	9.3	8.7	8.7	8.9	9.0	9.2	9.2	9.2	9.2	9.2
Earned Surplus	8.9	8.6	9.3	10.8	13.7	17.7	22.1	22.9	24.5	27.0	26.2	25.1	19.5	23.9
Total Stockholders' Equity	19.0	18.7	19.4	21.0	24.0	28.0	32.6	33.5	35.1	37.9	37.1	35.8	30.4	34.8
TOTAL LIABILITIES AND STOCKHOLDER EQUITY	24.1	21.3	23.4	25.9	32.6	36.3	48.8	52.0	54.2	65.2	60.6	57.8	65.6	85.6

PIPER AIRCRAFT CORPORATION
Summary Income Statements
(In Millions of Dollars Except Per Share Figures)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
SALES														
Light Aircraft	$ 39.2	30.7	33.3	38.0	54.3	69.0	81.2	80.4	96.6	106.7	68.4	63.2	NA	NA
Military	.9	.6	.02	.05	.03	.03	.07	.015	.059	.047	.029	.027	NA	127.6
Total Sales	40.2	31.4	33.3	38.0	54.3	69.0	81.3	80.4	96.7	106.7	68.4	63.2	74.6	
Cost of Sales	29.5	26.4	25.7	28.4	40.0	50.7	60.3	66.4	80.1	86.6	61.2	58.1	64.1	108.5
Depreciation	.5	.6	.9	.7	.7	.8	.9	-	-	-	-	-	-	-
Interest & Other Income (net)	(0.2)	(0.3)	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)	(1.0)	(1.6)	.4	.6
GROSS PROFIT	10.1	4.2	6.7	8.8	13.5	17.5	20.0	14.1	16.6	20.0	7.2	4.3	10.5	19.1
Selling & Administrative	2.8	3.0	3.0	3.3	3.4	5.4	6.7	8.0	8.1	9.3	7.8	6.9	6.4	9.7
PROFIT BEFORE TAXES	7.5	1.6	3.9	5.6	9.3	12.3	13.5	5.8	8.2	10.2	(1.6)	(3.1)	3.8	8.8
Taxes - Federal & State Income	4.0	.8	2.1	3.0	4.8	6.1	6.7	2.8	4.4	5.4	0.8	1.9	1.9	4.4
NET INCOME	3.5	.8	1.7	2.6	4.4	6.1	6.8	3.0	3.9	4.8	(0.8)	(1.2)	1.9 **	4.4
EARNINGS PER SHARE*	$ 2.19	.53	1.10	1.63	2.77	3.82	4.22	1.83	2.36	2.92	(0.47)	(0.75)	1.13**	2.65

* Based on common shares outstanding during each year adjusted retroactively for a 5% common stock dividend in 1960 and a three-for-two stock split in 1965.
** Before extraordinary loss; after extraordinary loss deficit was $4.99 million or $3.03 per share.

SOURCE: Annual Reports 1960-1973.

C - Cessna Aircraft Company

Cessna Aircraft Company is the leading factor in the business and private aircraft industry, and has accounted for 40%-50% of unit production of light aircraft since the early 1950's. Its dealer organization is more extensive than that of any of its competitors. As of 1968, 25% of Cessna's sales were to the military. Military work at that time included the T-37 Twin Jet Trainer and a large-subcontract for the Phantom (F-4) Jet Fighter. During 1968 and 1969 Cessna's earnings were recovering from the sharp decline it experienced in 1967 as a result of increased costs related to its military programs, the introduction of new models and also from decreased sales of commercial aircraft. Fiscal 1968 sales were up 23.7% and earnings were up 19%. Cessna continued the strong performance into 1969 with a 7% increase in sales and a 19% increase in earnings, bringing net income to a new record level in fiscal 1969.

The following tables present summary financial information on Cessna from 1960 through 1973, as well as statements of financial condition at the end of each of the years in question, and annual statements of profit and loss during the period:

CESSNA AIRCRAFT COMPANY

SUMMARY FINANCIAL INFORMATION

Year 9/30	Gross Revenue (Mils.)	Operating Profit Margins	Net Income (Thous.)	Working Capital (Mils.)	Senior Capital (Thous.)	Shares Outstd. (Thous.)	Cash Flow Per Shr.	Earnings Per Shr.	Div. Per Shr.	Div. Pay-Out	Price Range	Price Earnings Ratio	Yield
1960	$103.3	16.6%	$ 7,227	$ 26.0	5.4	7,173	1.29	1.01	0.27	36%	40 3/8 - 26	14.8	2.5%
1961	87.7	13.8	5,227	23.5	4.7	7,296	1.00	0.72	0.33	63	46 1/4 - 31	24.4	2.6
1962	89.8	12.7	4,661	23.9	3.3	7,299	0.89	0.64	0.38	61	35 - 16	18.1	3.8
1963	96.4	13.1	5,133	31.6	9.6	7,307	0.91	0.70	0.45	65	11 1/4 - 9	14.7	4.4
1964	122.9	14.4	7,542	34.7	8.8	7,318	1.25	1.03	0.45	44	14 5/8 - 10 3/8	12.1	3.6
1965	148.4	16.3	11,025	40.3	8.4	7,365	1.83	1.50	0.54	36	23 1/4 - 13 1/4	12.1	3.0
1966	202	15.2	13,879	54.9	25.2	7,404	2.21	1.87	0.63	34	26 1/8 - 13 7/8	10.7	3.2
1967	213.6	12.3	10,767	80.9	47.0	7,426	1.94	1.45	0.63	44	23 1/8 - 16 3/4	13.8	3.2
1968	264.3	12.7	12,813	88.9	55.2	7,437	2.26	1.72	0.63	37	29 1/2 - 18 3/8	14.0	2.6
1969	283.0	11.7	15,223	94.1	55.7	7,453	3.10	2.04	0.70	35	27 1/2 - 19 1/8	11.4	3.0
1970	227.1	8.6	9,261	84.1	52.8	7,387	2.27	1.26	0.71	57	22 7/8 - 11 1/4	13.6	4.2
1971	168.4	8.4	7,113	87.0	50.8	7,392	1.81	0.96	0.57	59	27 1/2 - 16 5/8	23.0	2.6
1972	248.4	10.6	13,510	96.0	48.2	7,458	2.31	1.82	0.64	35	34 7/8 - 23 3/4	16.1	2.2
1973	370.6	5.8	21,541	103.0	46.9	7,562	3.37	2.85	0.77	27	34 3/4 - 10 3/4	8.0	3.4

Note: Adjusted for 3-for-1 stock split, 3/60; also stock dividends: 1956, 5%; 1958, 10%. A - Before special charge of 27¢. B - Inc. mill. cv. into common at $59.50 a share.

SOURCE: Moody's Common Stock Handbook.

Summary Statements of Financial Condition
(In Millions of Dollars)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
ASSETS														
Cash & Marketable	2.9	2.7	1.7	1.9	2.4	2.1	4.8	7.0	8.6	11.3	13.1	30.6	25.3	22.2
Notes & Accounts Receivable	6.6	8.1	7.9	9.2	10.6	12.6	22.6	19.3	25.3	30.9	19.7	22.0	28.9	37.9
Total Inventories	28.0	26.6	28.1	30.4	36.8	53.7	61.3	78.0	81.7	86.8	75.2	61.6	80.5	109.8
Prepaid Expenses	.3	.2	.2	.2	.2	.2	.4	.4	.4	.8	.5	.3	1.0	1.0
Total Current Assets	37.8	37.6	37.9	50.0	50.0	68.6	89.1	104.8	120.7	129.0	108.6	114.6	135.2	168.9
Deferred Charges & Other Assets	4.4	9.2	10.1	8.8	8.9	8.9	15.4	19.5	15.2	20.0	31.5	31.5	31.2	29.4
Total Fixed Assets	13.2	12.3	11.3	12.2	12.6	14.2	19.7	25.2	28.3	29.8	28.5	27.0	25.7	38.0
TOTAL ASSETS	55.3	59.1	59.3	62.9	71.5	91.7	124.2	149.5	164.2	178.7	168.6	173.1	192.1	236.3

CESSNA AIRCRAFT COMPANY

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
LIABILITIES														
Current Liabilities	11.6	14.1	14.0	10.3	15.4	28.3	34.2	23.9	30.9	34.9	34.5	27.7	39.2	65.9
Notes Due & Deferred Tax	5.4	4.3	3.3	9.6	8.8	8.4	25.1	54.5	56.1	56.3	53.7	52.0	49.6	48.6
Shareholders' Equity														
Common Stock	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4	6.8	7.1	7.1	7.2	7.7
Capital	5.7	6.2	6.2	6.3	6.3	6.8	7.2	7.5	7.6	4.5	11.9	12.0	12.9	28.1
Earned	29.3	31.1	32.5	33.4	37.6	44.8	54.2	60.2	66.2	76.4	72.3	75.2	84.1	87.7
Less Treasury Stock										.1	(0.9)	(0.9)	0.9	1.6
Total Shareholders Eq.	38.3	40.7	42.0	43.0	47.3	55.0	64.8	71.1	77.2	87.6	90.4	93.4	103.3	121.8
Total Liabilities & Shares	55.3	59.1	59.3	62.9	71.5	91.7	124.2	149.5	164.2	178.7	168.6	173.1	192.1	236.3

CESSNA AIRCRAFT COMPANY
Summary Income Statements
(In Millions of Dollars, Except Per Share Figures)

F.Y.E. Sept. 30:	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
Total Sales	$ 103.3	87.7	89.8	96.4	122.9	148.4	202.1	213.6	264.3	283.0	227.1	168.4	248.4	370.6
Cost of Sales	77.1	67.1	69.8	75.4	94.4	110.5	154.5	168.1	207.1	215.7	176.9	129.2	190.8	285.0
Depreciation	2.0	2.1	1.8	1.5	1.6	2.5	2.5	3.6	4.0	3.5	3.5	3.4	3.5	3.8
Interest & Other Income	(0.2)	(0.2)	---	---	---	(0.1)	(0.4)							
Selling & Shipping	7.1	6.4	6.8	6.9	9.2	11.2	14.4	15.7	19.7	24.4	22.3	17.7	21.7	30.2
Profit Before Taxes	16.8	12.2	11.4	12.5	17.7	24.3	30.4	20.2	31.2	34.8	19.9	14.5	32.8	40.8
Taxes - Federal & State	9.5	7.0	6.7	7.4	10.2	13.3	16.5	9.4	18.9	19.6	9.5	7.4	18.9	19.3
Net Income	7.3	5.2	4.7	5.1	7.5	11.0	13.9	10.8	12.8	15.2	9.3	7.1	13.5	21.5
Earnings Per Share	1.01	0.72	0.64	0.70	1.03	1.50	1.87	1.45	1.72	2.04	1.26	.96	1.82	2.85

D - Beech Aircraft Corporation

Beech Aircraft Corporation produces aircraft for the middle and upper ranges of the light aircraft market. This emphasis is reflected in its market share statistics: in 1968, it was responsible for 27% of dollar shipments, but only 10% of unit shipments of light aircraft. Beech also had a relatively heavy emphasis on military and governmental work which accounted for about 34% of 1968 revenues. This included both the manufacture of military aircraft and various weapons systems sub-assemblies, research, and system design. Fiscal 1969 was extremely disappointing with net earnings down nearly 75% on a 2% increase in sales. These results reflected a costly work stoppage, and unusually high product development costs. Its segment of the commercial market was affected to a greater extent than the lower priced range of the market by tight monetary conditions in 1969.

The following tables present summary financial information on Beech from 1960 through 1973, as well as statements of financial condition at the end of each of the years in question, and annual statements of profit and loss during the period:

BEECH AIRCRAFT CORPORATION

SUMMARY FINANCIAL INFORMATION

Year 9/30	Gross Revs. (Mils.)	Operating Profit Margins	Net Income (Thous.)	Working Capital (Mils.)	Earnings Per Shr.	Dividends Per Shr.	Dividend Payout Percentage	Price Range	Price/ Earnings Ratio	Yield
1960	$ 98.9	9.8%	$ 4,854	$26.5	$0.70	0.21	29%	10 7/8 - 7 5/8	13.1	2.2%
1961	72.0	6.3	2,562	27.2	0.37	0.24	64%	10 3/4 - 6 5/8	23.6	2.7
1962	67.7	2.9	2,953	27.8	0.42	0.24	57%	8 7/8 - 5 1/8	16.3	3.5
1963	73.9	3.2	1,329[a]	28.1	0.19	0.24	128%	6 1/2 - 5 1/8	34.4	4.1
1964	107.2	5.8	3,417	29.6	0.49	0.24	50%	8 3/8 - 5 3/4	14.6	3.4
1965	122.5	8.0	5,506	32.6	0.78	0.25	33%	14 1/4 - 6 1/2	13.4	2.5
1966	164.6	10.6	6,770	38.4	1.24	0.29	25%	16 1/4 - 9 1/8	10.3	2.4
1967	174.1	10.5	9,036	44.7	1.28	0.35	29%	22 1/8 - 11 5/8	13.3	2.2
1968	184.4	8.8	7,795	77.1	1.10	0.44	35%	29 - 16	21.6	2.0
1969	187.3	2.4	1,977	75.3	0.28	0.48	18%	26 1/4 - 10	68.2	2.6
1970	169.8	---	(7,732)	64.1	(1.08)	0.49	N.A.	12 3/8 - 5 1/8	---	5.5
1971	142.5	5.3	4,754	51.1	0.67	0.44	61%	14 1/8 - 7 3/4	16.1	3.8
1972	174.5	6.8	7,087	50.4	1.01	0.40	39%	17 1/8 - 11 3/4	14.4	2.8
1973	204.7	8.9	10,023	56.9	1.43	0.45	31%	16 3/4 - 6 1/2	8.1	3.9

Note: Adjusted for 3 for 1 stock split 10/60; also stock dividends: 1956, 10%; 1959, 5%; 1961, 1965, 1966 and 1967, 2%. A - Excl. $0.7 mil. (25¢ a share) non-recurring gain; price/earnings ratios are based on the median between the years high and low.

SOURCE: Moody's Common Stock Handbook.

BEECH AIRCRAFT CORPORATION
Summary Statements of Financial Condition
(In Millions of Dollars)

t F.Y.E. Sept. 30:	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
SSETS														
otal Current Assets	49.6	49.1	51.2	53.1	57.1	63.5	82.8	85.2	111.6	109.1	97.2	77.3	86.6	104.9
ong-Term Investments	---	---	---	---	---	---	---	---	---	---	---	14.6	19.7	21.2
ther Assets	---	---	0.3	0.3	0.3	0.5	0.5	0.4	0.6	0.7	0.8	0.6	0.7	0.4
ixed Assets														
Land	0.4	0.4	0.5	0.5	0.5	0.8	0.8	0.8	0.9	1.0	1.0	1.0	1.0	1.1
Buildings & Equip.	13.7	14.3	15.1	16.0	17.1	18.1	20.2	21.8	27.2	30.1	32.1	32.1	35.4	37.4
									28.2	31.0	33.1	33.0	36.4	38.5
ESS: Depreciation	10.2	10.9	11.4	12.3	13.0	13.8	14.7	15.9	18.1	20.0	21.9	23.5	24.9	26.7
Total Fixed Assets	3.9	3.7	4.1	4.2	4.6	5.2	6.2	6.7	10.1	11.0	11.3	9.5	11.5	11.8
OTAL ASSETS	53.5	52.9	55.8	57.7	62.1	69.2	89.6	92.4	122.3	120.9	109.2	102.0	118.5	138.3

BEECH AIRCRAFT CORPORATION

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
LIABILITIES														
Total Current Liabilities	23.7	21.9	23.4	25.0	27.5	30.8	44.4	40.4	34.5	33.8	33.1	26.2	36.2	48.0
Long-Term Liabilities									30.9	31.3	32.1	31.1	33.6	34.8
Shareholders' Equity														
Preferred Stock														
Common	0.8	2.7	2.8	2.8	2.8	2.8	2.8	2.9	4.5	4.6	4.6	4.6	4.7	4.8
Capital Surplus	11.3	9.7	10.8	10.8	10.9	10.9	12.4	14.0	15.4	15.6	17.2	17.2	18.9	19.7
Earned Surplus	17.5	18.5	18.7	19.1	20.8	24.5	29.8	34.9	37.0	35.6	22.7	24.4	26.9	33.0
Less: Treasury Stk.											.5	1.5	.7	2.1
Total Shrholder's Equity.	29.7	30.9	32.4	32.7	34.5	38.3	45.1	51.9	57.0	55.8	44.0	44.7	48.8	55.4
Total Liabilities and Shareholders' Equity	53.5	52.9	55.8	57.7	62.1	69.2	89.6	92.4	122.3	120.9	109.2	102.0	118.5	138.2

BEECH AIRCRAFT CORPORATION
Summary Income Statements
(In Millions of Dollars, Except Per Share Figures)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
SALES														
Light Aircraft	46.6	43.1	40.3	45.3	54.3	74.3	100.7	103.9	129.9	144.7	116.4	90.1	130.3	182.8
Military	52.3	28.9	27.3	28.6	52.9	48.2	63.9	70.2	54.4	42.6	53.4	52.4	44.2	21.9
Total Sales	98.9	72.0	67.7	73.9	107.2	122.5	164.6	174.1	184.4	187.3	169.8	142.5	174.5	204.7
Cost of Sales	79.2	58.3	53.0	60.8	90.0	100.9	133.1	140.1	144.7	157.0	159.7	114.8	136.1	156.5
Depreciation	0.7	0.8	0.8	.9	.9	1.0	1.2	1.4	1.7	2.1	2.1	2.1	2.1	2.4
Gross Profit	19.0	12.9	13.9	12.2	16.3	20.6	30.3	32.6	38.0	28.2	28.2	25.6	36.3	45.8
Interest & Other Income	.6	.8	.8	1.1	.4	0.8	0.7	0.6	0.1	(0.5)	(0.5)	1.6	2.0	2.8
Selling & Shipping) Admin. & General)	7.2	7.2	6.9	7.8	7.7	8.6	11.4	13.9	17.5	19.2	18.7	14.8	20.2	24.2
Profit Before Taxes	10.3	5.3	6.4	3.5	6.7	10.6	16.5	20.6	19.1	4.0	(14.3)	9.2	13.8	24.4
Taxes-Fed.,State	7.0	3.9	4.8	3.5	5.7	7.3	10.9	11.6	12.5	6.6	(6.5)	4.4	6.7	14.3
Net Income	4.8	2.6	3.0	2.0	3.4	5.5	8.8	9.0	7.8	2.0	(7.7)	4.7	7.1	10.0
Earnings Per Share	0.66	0.37	0.42	0.28	0.49	0.78	1.24	1.28	1.10	0.28	(1.08)	0.67	1.01	1.43

INDEX TO TABLES AND CHARTS

1	Curriculum Vitae of Robert Rosenkranz
2	Dividend Yield - Average High/Low Stock Price General Aviation Industry
3	Book Value Per Common Share General Aviation Industry
4	Percentage Return on Shareholders' Equity General Aviation Industry
5	Volume of Shares Traded General Aviation Industry
6	Changes in Comparative Financial Position General Aviation Industry Post 1969
7	Piper Stock Market Prices
8	Cessna Stock Market Prices
9	Beech Stock Market Prices
10	Standard & Poor's Averages
11	Investment Letter Common Stock Purchased by SMC Investment Corporation
12	Investment Letter Common Stock Purchased by Price Capital Corporation
13	Corporate Profits Before and After Taxes
14	Stock Yields and Interest Rates
Appendix	Piper Aircraft Corporation An Econometric Analysis U.S. Trust Company

CURRICULUM VITAE: ROBERT ROSENKRANZ

PERSONAL

Home Address: 241 Central Park West
New York, N. Y. 10024
Telephone: 874-7678

Date of birth: August 5, 1942
Marital status: Married

Business Address: Oppenheimer & Co.
1 New York Plaza
New York, N. Y. 10004
Telephone: 825-8194

EDUCATION

Secondary: Bentley School, New York, N.Y.

Undergraduate: Yale University

Degree: A.B., 1962

Major subject: Economics

Honors: Phi Beta Kappa, degree received summa cum laude
Yale and Hertz Foundation scholarships

Extra curricular: Ivy Magazine, Senior Society

Graduate: Harvard Law School

Degree: Ll.B., 1965

Concentration: Taxation and corporate finance

Honors: Full scholarship

Extra curricular: Moot Court, International Law Club

Foreign language: French (fair)

EMPLOYMENT

Employer	Period	
Permanent		
Oppenheimer & Co. 1 New York Plaza, New York, N.Y. 10004	2/69 - Present	Partner, Corporate Finance Department

The RAND Corporation 1700 Main St., Santa Monica, Calif.	7/67 - 12/68	Economist/Attorney engaged in research on national security problems and municipal finance
Cahill, Gordon & Reindel 80 Pine St., New York, N.Y. 10005	9/65 - 6/67	Attorney, specializing in taxation
<u>Temporary and part time</u>		
Mayor John V. Lindsay City Hall, New York, N.Y. 10007	3/66 - 4/66	Tax policy consultant
Pace College 41 Park Row, New York, N.Y. 10007	9/65 - 1/66	Economics instructor
Beekman & Bogue 5 Hanover Sq., New York, N.Y. 10004	6/64 - 8/64	Law clerk
Senator Jacob K. Javits Senate Office Building Washington, D. C.	6/62 - 9/62	Speech writing, research

EXHIBIT 2

GENERAL AVIATION INDUSTRY

DIVIDEND YIELD - AVERAGE HIGH/LOW STOCK PRICE

	BEECH	CESSNA	PIPER
1973	7.0	6.3	---
1972	2.8	2.2	---
1971	3.8	2.6	---
1970	5.5	4.2	---
1969	2.6	3.0	2.4
1968	2.0	2.6	2.8
1967	2.2	3.2	2.9
1966	2.1	3.2	3.0
1965	2.5	3.0	3.0
1964	3.4	3.6	2.9
1963	4.1	4.1	3.2
1962	3.5	3.9	3.3
1961	2.7	2.6	2.1
1960	2.2	2.5	1.9

SOURCE: Moody's Common Stock Handbook

EXHIBIT 3

GENERAL AVIATION INDUSTRY

BOOK VALUE PER COMMON SHARE

	BEECH	CESSNA	PIPER
1973	11.95	16.10	21.15
1972	10.59	13.98	18.50
1971	9.57	12.64	21.54
1970	9.30	12.24	22.54
1969	11.66	11.76	23.01
1968	11.95	10.67	21.38
1967	9.51	9.57	20.44
1966	8.12	8.75	20.03
1965	8.14	7.52	17.31
1964	7.34	6.47	14.85
1963	6.97	5.89	13.06
1962	6.94	5.77	12.10
1961	6.70	5.59	11.67
1960	6.51	5.35	11.87

EXHIBIT 4

GENERAL AVIATION INDUSTRY

PERCENTAGE RETURN ON SHAREHOLDERS' EQUITY

	BEECH	CESSNA	PIPER
1973	18.1	17.7	5.1
1972	14.[illegible]	13.1	-0-
1971	10.6	7.6	-0-
1970	Loss	10.2	-0-
1969	3.5	17.4	13.1
1968	13.7	16.1	11.0
1967	17.4	15.1	8.9
1966	19.4	21.4	21.1
1965	14.3	20.0	22.1
1964	9.9	15.9	18.6
1963	6.1	11.9	12.5
1962	9.1	11.1	9.1
1961	8.3	12.9	4.6
1960	16.3	18.8	18.5

EXHIBIT 5

960

GENERAL AVIATION INDUSTRY

VOLUME OF SHARES TRADED

	BEECH	CESSNA	PIPER
1960	634,800	972,500	368,900
1961	1,057,200	934,900	292,400
1962	682,800	894,500	340,800
1963	628,400	785,500	476,600
1964	828,300	1,296,400	502,700
1965	1,280,000	1,344,600	802,500
1966	1,146,700	1,427,300	616,100
1967	1,631,000	1,458,300	1,069,500
1968	1,603,000	1,166,300	451,600
1969	1,856,900	1,427,500	734,300
1970	1,018,000	1,609,300	137,041
1971			19,811
1972			28,715

THE GENERAL AVIATION INDUSTRY POST 1969

CHANGES IN COMPARATIVE FINANCIAL POSITION

	BEECH				CESSNA				PIPER			
	1973	1972	1971	1970	1973	1972	1971	1970	1973	1972	1971	1970
Sales	$204.7	174.5	142.5	169.8	370.6	248.4	168.4	227.1	127.6	74.6	63.2	68.4
Sales (% Change)	17.3%	22.5	(16.1)	(9.3)	49.2	47.5	(25.8)	(19.8)	71.0	18.1	(7.6)	(35.8)
Net Income (Mil.)	$ 10.0	7.1	4.8	(7.7)	21.5	13.5	7.1	9.3	4.4	1.9	(1.3)	(.8)
Net Income (After Extraordinary)	---	---	---	---	---	---	---	---	---	(5.0)	---	---
Earnings Per Share (Extraordinary)	1.43	1.01	0.67	(1.08)	2.85	1.82	0.96	1.25	2.65	1.13	(0.79)	(.47)
										(3.03)	---	---
Quick Ratio	69.7	103.9	133.4	154.1	89.8	1.40	4.32	4.32	40.0	60.1	95.3	93.8
Inventory Turnover	2.6	3.2	2.8	2.7	3.0	3.4	3.8	4.1	2.3	1.9	1.8	1.7
Rate of Return on Shareholders' Equity	18.1	14.5	10.6	Loss	17.7	13.1	7.6	10.2	12.6	Loss	Loss	12.1
Dividends Paid (Per Share)	$0.45	$0.40	$0.44	$0.49	$0.77	$0.62	$0.57	$0.75	---	---	---	---

* Before Extraordinary.

961

EXHIBIT 6

EXHIBIT 7

PHILLIPS-VAN HEUSEN

TICKER SYMBOL PVH — THOUS SH OUTSTANDING 3258

	VOL	HIGH	LOW	CLOSE
10/1	84	29-1	28-3	28-7
2		HOLIDAY		
3	67	29-2	28-5	29
4	56	28-7	28-1	28-4
	207	3.05		25-5
7	45	⊡28-7	28-3	28-3
8	19	28-2	27-5	27-5
9		HOLIDAY		
10	90	28-4	⊡27-2	27-4
11	54	28-2	27-2	28-2
	160	2.90		24
14	92	⊡24-6	⊡28	29-5
15	43	29-6	28-7	29-1
16		HOLIDAY		
17	47	29-3	28-6	29
18	21	29-2	28-6	28-7
	203	3.02		24-3
21	30	29-1	⊡28-4	28-6
22	25	29	28-5	29
23		HOLIDAY		
24	45	29-1	28-7	28-7
25	25	⊡29-2	29	29
	125	3.02		24-6
28	19	28-7	⊡28	28-2
29	29	29	28	28-6
30		HOLIDAY		
31	75	⊡29-4	28-4	28-4
11/1	54	29-2	28-5	28-5
	177	2.99		25-1
4	34	28-7	⊡28	28-1
5		HOLIDAY		
6	31	29	28-2	29
7	57	⊡29-2	28-6	29
8	116	29	28-2	28-3
	238	3.05		25-3
11		HOLIDAY		
12	41	28-7	⊡28-4	28-5
13	238	29-1	28-6	29-1
14	67	⊡29-6	29-1	29-6
15	31	29-4	28-7	29-2
	377	3.09		25-5
18	34	⊡29-4	29-1	29-2
19	14	29-4	29-3	29-3
20		HOLIDAY		
21	51	29-3	29	29
22	26	28-7	⊡28-2	29-2
	225	3.00		25-7
25	65	29-4	29-1	29-2
26	64	29-3	28-6	29-3
27		HOLIDAY		
28	40	⊡29-5	29-2	29-4
	210	3.02		26-1
12/2	224	30-2	⊡28-6	30
3	46	30-5	30	30-4
4		HOLIDAY		
5	70	⊡31-4	30-6	31-2
6	99	31-3	30-7	31
	279	3.20		26-3
9	178	⊡33-3	⊡31-1	32-6
10	49	32-7	32-2	32-2
11		HOLIDAY		
12	46	31-6	31-2	31-3
13	27	31-5	31-1	31-1
	294	3.21		26-5
16	43	31-5	31	31-1
17	18	31-1	⊡30-5	30-5
18		HOLIDAY		
19	37	31-6	30-5	31-6
20	45	⊡32-2	32	32
	143	3.26		26-7
23	33	⊡32-1	31-5	31-6
24	52	31	30-5	31
25		HOLIDAY		
26	11	30-7	30-3	30-3
27	29	30-4	⊡30-2	30-2
	125	3.18		27-1
30	48	30-2	29	29-2
31	20	29-4	29-1	29-4

EARN $ 1.32

DIV

SHORT INT				
JAN	38	JUL	-	
FEB	-	AUG	-	
MAR	-	SEP	-	
APR	-	OCT	-	
MAY	-	NOV	-	
JUN	-	DEC	-	

INSIDERS				
NOV	-1213	MAY	4371G	
DEC	-1152	JUN	-	
JAN	-	JUL	-400	
FEB	33	AUG	-	
MAR	1250	SEP	-1127	
APR	301	OCT	-	

PIKE CORP OF AMER

TICKER SYMBOL PKA — THOUS SH OUTSTANDING 3024

	VOL	HIGH	LOW	CLOSE
10/1	86	28-6	28	28
2		HOLIDAY		
3	203	29	27-6	28-7
4	176	29-3	28-7	29-3
	465	3.04		30-2
7	111	29-7	29-2	29-4
8	126	⊡30	29-5	29-5
9		HOLIDAY		
10	83	29-5	⊡29	29-2
11	86	29-3	29	29
	406	3.08		30-3
14	75	29-4	29	29
15	90	29-2	⊡28-6	28-7
16		HOLIDAY		
17	102	29-3	28-7	28-7
18	106	⊡29-5	28-7	29-3
	373	3.01		30-3
21	99	29-5	⊡29-1	29-3
22	241	30-3	29-4	30-2
23		HOLIDAY		
24	196	⊡31-2	30-4	30-7
25	79	31-1	30	30
	615	3.23		30-5
28	120	30-3	⊡29-7	30-1
29	110	30-4	30	30
30		HOLIDAY		
31	121	30-4	29-7	30-4
11/1	108	⊡30-5	30-4	30-4
	459	3.20		30-5
4	64	30-3	⊡30-1	30-1
5		HOLIDAY		
6	55	30-6	30-3	30-6
7	108	31-2	30-5	31-2
8	89	⊡31-5	31-2	31-3
	316	3.29		30-5
11		HOLIDAY		
12	263	⊡33-1	32	32-7
13	114	33	32-3	32-5
14	216	32-6	32-3	32-6
15	249	32-3	⊡31-6	31-6
	842	3.40		30-5
18	136	32-3	31-6	31-6
19	91	31-7	⊡31	31-1
20		HOLIDAY		
21	145	32-2	31-2	32-2
22	136	⊡33	32-3	32-3
	508	3.34		30-5
25	137	33-2	32-5	33-2
26	345	⊡33-7	⊡31-7	32-3
27		HOLIDAY		
28	181	33-3	32-4	33
29	745	3.38		30-5
12/2	210	⊡33-7	32-7	33-4
3	89	33-5	32-3	32-4
4		HOLIDAY		
5	292	33-2	⊡32-1	32-5
6	53	32-7	32-2	32-2
	544	3.34		30-5
9	85	32-5	32	32
10	71	32-3	⊡31-4	31-6
11		HOLIDAY		
12	139	32-5	32-1	32-2
13	172	⊡33-6	32-4	33-2
	467	3.30		30-5
16	133	⊡34	33-1	33-3
17	84	33-5	32-6	32-6
18		HOLIDAY		
19	54	32-5	⊡31-7	32-2
20	46	32-6	32-3	32-4
	317	3.31		30-5
23	48	⊡32	31	31-4
24	20	31-1	30-5	30-5
25		HOLIDAY		
26	26	30-7	⊡30-3	30-4
27	99	31-6	30-3	31-3
	193	3.20		30-4
30	60	31-2	29-6	29-6
31	59	30-6	29-5	30

DIV .050 $ 1.16

SHORT INT				
JAN	-	JUL	-	
FEB	-	AUG	-	
MAR	-	SEP	-	
APR	-	OCT	-	
MAY	-	NOV	-	
JUN	-	DEC	-	

INSIDERS				
NOV	-	MAY	1000G	
DEC	-	JUN	9000L	
JAN	-	JUL	-	
FEB	1000	AUG	-	
MAR	-	SEP	-	
APR	-	OCT	-	

PIKE CORP OF AMER CM CV PF 1.00

TICKER SYMBOL PKA * — THOUS SH OUTSTANDING 224

	VOL	HIGH	LOW	CLOSE
		82-4	63	
	HOLIDAY			
1	86	86	86	
	85	90		
1	9.06	93-6		
1	⊡87	⊡87	87	
	87-4	91		
	HOLIDAY			
	87	90		
	85	90		
1	9.48	94		
1	87	87	87	
	85	89		
	HOLIDAY			
	85	89		
2	⊡87-2	⊡86	87-2	
3	9.28	94-2		
	86	90		
2	90-2	⊡90	90-2	
	HOLIDAY			
1	⊡91-4	91-4	91-4	
	89	92-4		
3	9.56	94-5		
	89	93		
	89	93		
	HOLIDAY			
2	⊡90-4	⊡90-4	90-4	
	90-4	94		
2	9.50	94-5		
	89	93		
	HOLIDAY			
	90	94		
1	91-4	⊡91-4	91-4	
1	⊡93	93	93	
2	9.63	94-5		
	HOLIDAY			
2	⊡98	⊡98	98	
	96	100		
	96	99		
	93	98		
2	10.27	94-6		
1	96-4	96-4	96-4	
	91-4	96		
	HOLIDAY			
1	94	⊡94	94	
1	⊡97	97	97	
3	9.74	94-5		
	84	88		
1	99	⊡99	99	
23	⊡100	100	100	
	HOLIDAY			
1	99	99	99	
25	10.14	94-4		
2	⊡100-4	⊡100-2	100-4	
	97-4	101		
	HOLIDAY			
	96	101		
	96	101		
2	10.33	94-4		
2	⊡96	⊡96	96	
	94	98		
	HOLIDAY			
	95	100		
	98	99		
2	10.23	94-5		
3	⊡100	98-4	98-4	
	97-4	100-2		
	HOLIDAY			
1	96	⊡96	96	
	96	99		
4	9.84	94-5		
	93	98		
	90	98		
	HOLIDAY			
	90	96-4		
	94-4	96		
	88	96		
1	88	88	88	

DIV .250

SHORT INT				
JAN	-	JUL	-	
FEB	-	AUG	-	
MAR	-	SEP	-	
APR	-	OCT	-	
MAY	-	NOV	-	
JUN	-	DEC	-	

INSIDERS				
NOV	-	MAY	-	
DEC	-	JUN	-	
JAN	-	JUL	-	
FEB	-	AUG	-	
MAR	-	SEP	-	
APR	-	OCT	-	

PILLSBURY CO

TICKER SYMBOL PSY — THOUS SH OUTSTANDING 4753

	VOL	HIGH	LOW	CLOSE
	21	49-2	48	49
	HOLIDAY			
	75	49-1	47-6	47-6
	23	48	47-5	48
	119	5.03		48-3
	142	⊡48	46-6	47-2
	36	47	⊡45-4	46
	HOLIDAY			
	58	46-2	45-6	46-2
	36	46-4	46	46-4
	272	4.87		48-3
	18	46-5	46-3	46-3
	44	46-4	⊡46	46-3
	HOLIDAY			
	151	48-3	46-6	48-3
	81	⊡49-4	48-4	49
	294	5.04		48-4
	28	50-2	⊡48-6	50-2
	19	50-6	50-1	50-3
	HOLIDAY			
	59	51-4	50	50
	44	⊡52-6	50-1	52-6
	150	5.23		48-5
	33	⊡52-2	51-6	52
	54	51-7	51-4	51-7
	HOLIDAY			
X	73	51-6	51	51
	19	50-6	⊡49-6	50-2
	179	5.36		48-7
	37	⊡50-6	49-6	49-6
	HOLIDAY			
	31	50-3	⊡49-4	50
	22	50	49-5	49-7
	20	50-4	50	50
	110	5.25		49
	HOLIDAY			
	50	50-7	⊡49-5	50-7
	329	⊡53-1	50-5	52-4
	43	53-1	52	52
	53	53	52	52-7
	475	5.39		49-1
	44	52-7	⊡52-1	52-1
	39	52-7	52-2	52-7
	HOLIDAY			
	43	52-7	52-2	52-7
	32	⊡53-1	52-4	52-6
	158	5.48		49-3
	85	53-5	⊡52-5	53-2
	62	53-6	53-1	53-5
	HOLIDAY			
	73	⊡54	53-5	54
	270	5.53		49-4
	136	55-2	⊡54-3	55-2
	34	55-7	55-1	55-2
	HOLIDAY			
	76	56-4	55-3	56-4
	35	⊡56-7	56-2	56-3
	281	5.78		49-6
	68	⊡56-3	55-2	55-3
	43	56	54-6	55-1
	HOLIDAY			
	122	55-1	⊡54	54-7
	94	55-6	54-2	55-4
	327	5.62		50
	12	55-7	55-3	55-5
	27	⊡56-2	55-6	56
	HOLIDAY			
	34	56	55-2	55-2
	33	56	⊡54-6	55-3
	106	5.67		50-2
	24	⊡55	54-2	54-5
	243	54-3	53-4	54
	HOLIDAY			
	8	54-2	⊡53-3	54-2
	10	54-3	53-7	53-7
	285	5.69		50-3
	5	54-4	54	54-4
	27	55	54-1	55

DIV .313 $ 2.86

SHORT INT				
JAN	-	JUL	-	
FEB	-	AUG	-	
MAR	-	SEP	-	
APR	-	OCT	-	
MAY	-	NOV	-	
JUN	-	DEC	-	

INSIDERS				
NOV	-	MAY	-	
DEC	100	JUN	-500	
JAN	950G	JUL	2000G	
FEB	-1328	AUG	100	
MAR	1CC2G	SEP	100	
APR	-200	OCT	600E	

PIPER AIRCRAFT CORP

TICKER SYMBOL PPA — THOUS SH OUTSTANDING 1639

	VOL	HIGH	LOW	CLOSE
	13	52-7	51-6	52-6
	HOLIDAY			
	20	55-2	53-2	55-2
	11	55-4	54-6	55
	44	5.82		55-6
	15	⊡55-6	55	55-6
	5	55-1	54-4	54-4
	HOLIDAY			
	9	54-7	⊡54-2	54-7
	107	55-3	55	55-2
	136	5.78		59
		55		55-1
	9	55-2	55-2	55-2
	HOLIDAY			
	55	55-4	⊡54-3	55-3
	42	⊡55-7	55-2	55-7
	106	5.77		59-1
	2	⊡55-3	55-2	55-2
	10	55	54-2	54-6
	HOLIDAY			
	8	54-4	53-5	53-5
	6	53-7	⊡53-3	53-7
	26	5.61		59-3
	21	⊡54	53-1	53-1
	4	53-4	53-2	53-3
	HOLIDAY			
	16	53	52-6	52-6
	5	52-5	⊡52	52
	46	5.54		59-2
	59	52	⊡52	52
	HOLIDAY			
	14	⊡52-4	52	52-3
	5	52-4	52-2	52-4
	11	52-4	52-2	52-2
	89	5.52		59-1
	HOLIDAY			
	12	53-3	⊡52-4	52-5
	20	⊡54-4	54-2	54-2
	1	54	54	54
	9	53-4	52-4	52-7
	42	5.60		59
	5	52-6	52-1	52-3
	25	⊡53-5	⊡51-3	53-5
	HOLIDAY			
	10	53-2	52-4	53-2
	11	52-7	52-4	52-4
	51	5.52		58-6
	9	⊡53-3	52-4	53-3
	6	53	52-6	53
	HOLIDAY			
	5	53-3	53	53
	39	5.43		58-3
	9	53-3	52-4	53-3
	7	53	52-4	53
	HOLIDAY			
	24	53	52-1	52-6
	51	⊡53-6	⊡52	53-6
	91	5.40		58-1
	16	55	⊡53-6	55
	110	⊡55-5	54-6	54-6
	HOLIDAY			
	10	55-4	55	55-2
	10	55	54-5	54-5
	146	5.65		57-7
	2	54-3	54-1	54-1
	4	⊡54-5	54-2	54-2
	HOLIDAY			
	3	54	⊡53-6	53-6
	12	54-4	53-6	53-6
	21	5.51		57-4
	9	⊡53-4	52-2	52-2
	7	51-7	⊡51-2	51-7
	HOLIDAY			
	5	52-5	52	52-5
	3	53	53	53
	24	5.51		57-1
	57	53-5	52-3	53-5
	3	53-4	53-2	53-2

DIV .350 $ 2.30

SHORT INT				
JAN	-	JUL	-	
FEB	-	AUG	-	
MAR	-	SEP	-	
APR	-	OCT	-	
MAY	-	NOV	-	
JUN	-	DEC	-	

INSIDERS				
NOV	-	MAY	-765	
DEC	-1620	JUN	-1330	
JAN	-	JUL	-1000	
FEB	-	AUG	-	
MAR	-	SEP	-	
APR	-500	OCT	-	

	PIPER AIRCRAFT CORP /				PITNEY-BOWES, INC				PITTS CORP & CHEM				PITTS CORP & CHEM PF $2.00				PITTS CORP & CHEM PF $2.50				
	TICKER SYMBOL PPA	THOUS SH OUTSTANDING 1639			TICKER SYMBOL PBY	THOUS SH OUTSTANDING 5327			TICKER SYMBOL PCK	THOUS SH OUTSTANDING 1163			TICKER SYMBOL PCK PF	THOUS SH OUTSTANDING 17			TICKER SYMBOL PCK PF	THOUS SH OUTSTANDING 43			
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	
1/1			HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		1/1
2	11	53-5	53-1	53-1	42	66-4	65-4	66	4	87-6	87	87-5			78	80			70-6	72-4	2
3	363	54	53-1	53-7	67	65-4	63-1	63-3	3	88	87-6	88			76	80			70-6	72-4	3
	374		5.61	56-4	109		6.96	7-4	7		9.26	75-5									
6	221	54-2	54	54-2	22	63-3	<62-6	64-2	5	<87-6	86-2	86-2			78	80			70-2	72-4	6
7	25	53-6	53	53-2	77	63-4	62-6	63-2	11	88-2	87	87			78-6	82			70	72-4	7
8	325	53-4	<52-4	52-4	82	64-4	64	64-4	9	87	<80-6	80-6			78	80			70	72-4	8
9	12	<54-7	52-5	54-5	39	65-6	64-4	65-2	2	1-4	81	81-4			78	80			70-4	72-4	9
10	3	54-3	54-2	54-2	53	<66-6	65-3	66-3	4	82-2	81-6	81-6			78	80			70-4	72-4	10
	566		5.89	56	273		7.06	67-4	31		8.74	79-7									
13	22	<54-2	52-4	52-4	21	65-6	65	65-2	17	82-2	73-2	74-2			78	80			70	72-4	13
14	55	53	52-2	52-4	50	66	65-2	66	7	79-3	<73-2	78-3			78	80			70-4	72-4	14
15	12	53	52-4	52-4	68	65-7	65	65-6	1	73-3	73-3	73-3	40	78	<78	78			70-4	72-4	15
16	28	52	51-6	51-6	68	<66-3	65	66	8	81	79	81	50	80	80	80	100	<72-4	72-4	72-4	16
17	7	51-5	<51-2	51-3	45	66	<64	64-7	8	<83-4	82-4	83-4	20	<82	82	82			70-4	74-2	17
	124		5.51	55-3	252		7.03	67-3	41		8.63	76-2			80	80-4	100	71-4	<71-4	71-4	
20	20	51-6	<50-7	50-7	77	65-6	<64-6	67	2	82-6	82-4	82-4	110		8.74	79-3	200		7.91	74-4	20
21	39	51-7	51-2	51-7	102	65-7	64-6	65-7	3	<83-4	82-4	83-4									21
22	21	52-7	52-2	52-4	51	65-7	65-2	65-2	3	83	82-4	82-4									22
23	139	60-4	59	60-4	101	65-5	65-2	65-2	6	83-2	<82	82									23
24	368	<62-7	61-4	62-4	57	<66-6	65-4	65-2			81-4	82-4									24
	587		6.43	55-7	389		6.94	67-2	14		8.72	76-5									
27	252	63-6	62-5	63	31	66-7	<66	66-7	1	81-4	<81-4	81-4									27
28	49	<64-2	63-6	64-2	25	67	66-4	67	2	82	81-4	82									28
29	59	64-2	63-6	63-5	56	68-4	66-4	66-2	4	82	81-4	81-4									29
30	120	60-6	<58-4	59	312	<70-4	69-2	70	1	82	82	82									30
31	71	60-6	59-4	60-1	147	70-2	69-7	70	9	<82-7	82	82-7									31
	551		6.26	55-1	571		7.43	67-1	17		8.70	77									
2/3	56	59-6	<58-7	59-5	158	71	<70	71	4	<84	<83	84									2/3
4	18	62	60-2	62	350	<74	71-2	73	2	84	84	84									4
5	57	64-7	62-4	64-7	32	72-5	72	72			83-4	84-4									5
6	92	67-4	65	66	96	72	71	71-6			83-2	84									6
7	69	<68	67-6	68	41	72-2	72	72	x 1	83-2	83-2	83-2									7
	292		6.97	55-1	677		7.58	67-1	7		8.87	77-1									
10			HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		10
11	74	<70	69-3	69-5	193	71-5	71	71	1	83-2	<83-2	83-2									11
12	58	69-4	68	68	71	71	70-1	70-2			83-5	83-6									12
13	72	69-6	<67-6	69-4	30	71	<70	71	10	<84	83-6	84									13
14	62	69-6	68-6	69-6	264	<74-3	72-4	74-2	6	84	84	84									14
	266		7.30	55-3	558		7.45	67-2	17		8.82	77-3									
17	168	69	67-5	67-7	206	<76	75-1	75-2	6	<84	83	83									17
18	137	70	<67-4	70	170	74-4	72	73-4	6	82-6	81	81									18
19	132	<72	70-3	71-6	79	72-6	72	72	1	80-2	80-2	80-2									19
20	497	72		71-6	77	73-4	<70-2	70-6	2	79-4	<79-4	79-4									20
21			HOLIDAY				HOLIDAY								HOLIDAY				HOLIDAY		21
	588		7.69	55-7	499		7.65	67-3	15		8.59	77-4									
24	56	<70	69	69	x 49	70-1	<69-2	69-4	76	<89-4	88	88-5									24
25	x 84	69-1	67-4	67-4	45	70-2	69-5	69-7	71	89-4	88	88									25
26	73	68-3	<67-3	68-1	32	70-2	69-6	70	65	89-4	88-2	88-4									26
27	29	68-1	67-5	68-1	46	70-6	70	70-6	218	88-2	<87-4	88									27
28	57	69	68	69	88	<71-4	71	71-4	86	88-4	88	88									28
	299		7.54	56-3	260		7.83	67-4	516		9.75	78-1									
3/3	25	69	<69-2	68-2	79	<72	<70	70	90	88	<86	86									3/3
4	21	68-5	68-4	68-4	48	71	70	71	21	87-1	86-4	87									4
5	38	69-2	68-2	69	111	70-5	70-2	70-3	76	88-2	87-2	88									5
6	48	69-4	69-2	69-4	24	70-6	70-3	70-5	5	<89	88-3	88-3									6
7	61	<70	68-7	70	19	70-7	70-4	70-6	33	88-4	88	88									7
	193		7.61	57	281		7.74	67-6	225		9.67	78-5									
10	24	71-2	<70	71-2	14	71-5	70-6	71-5	23	89-4	88-2	88-4									10
11	41	73-4	72	72-5	125	<73-7	72-6	73-3	53	<90	88-4	88-4									11
12	32	73-4	73-4	73-4	139	73-2	71	71	36	88-6	<88	88-6									12
13	38	<73-6	73-4	73-6	24	71-2	70-4	71	33	89	88-4	89									13
14	45	73-1	72-4	72-4	25	70-2	<70-1	70-2	5	89	88-7	88-7									14
	180		8.13	57-5	327		7.83	68	150		9.81	79-2									
17	50	71-6	69-5	70-6	27	71	<70	71	10	89-6	<89-2	89-6									17
18	80	72-2	72	72	49	74	71	74	24	93	91-2	91-4									18
19	83	<73-3	73	73-3	138	75	73-3	74-5	9	92-4	92	92-4									19
20	35	73-3	71-2	71-2	47	76-2	75	76-2	8	93-4	92-2	93-4									20
21	33	70-4	<68-7	69-6	27	<77-7	77	77-2	13	<94-6	93-6	93-6									21
	281		7.74	58-2	288		8.29	68-3	64		10.16	80									
24	35	69	<68-1	68-4	55	77-4	<77	77	8	<94-6	94	94-3									24
25	14	69-2	68-4	69-2	78	78	77	77-4	18	93-4	90-6	90-6									25
26	48	69-4	69-2	69-2	56	78	77-2	78	18	92-2	<90-2	92									26
27	14	69-4	69-4	69-4	150	<80-6	78-2	79-6	4	92	92	92									27
28	25	<70	69-2	69-2	649	80-4	79-4	80	4	93	93	93									28
	136		7.47	58-6	988		8.57	68-7	52		9.88	80-5									
31			HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		31
EARN				$ 2.14				$ 2.50				$ 1.98									EARN
DIV			.350				.300				.100				*SUSPENDED				*SUSPENDED		DIV
SHORT	APR	-	OCT	-	APR	29029	OCT	26363	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	SHORT
	MAY	-	NOV	-	MAY	29363	NOV	24151	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	
	JUN	-	DEC	-	JUN	25285	DEC	24134	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	
	JUL	-	JAN	-	JUL	54661	JAN	11259	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	
	AUG	-	FEB	2467	AUG	40377	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	
	SEP	-	MAR	13402	SEP	29786	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	
INSTIT	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	INSTIT
	MAR	-	SEP	-	MAR	-	SEP	100	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	
	APR	-500	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	
	MAY	-745	NOV	-	MAY	528	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	
	JUN	-1330	DEC	-	JUN	245	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	
	JUL	-1000	JAN	-	JUL	1345	JAN	5229	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	

	PIPER AIRCRAFT CORP				PITNEY-BOWES, INC				PITNEY-BOWES INC				PITTS CORE & CHEM				PITTS VIRGINIA CO			
	TICKER SYMBOL	THOUS SH OUTSTANDING			TICKER SYMBOL	THOUS SH OUTSTANDING			TICKER SYMBOL	THOUS SH OUTSTANDING			TICKER SYMBOL	THOUS SH OUTSTANDING			TICKER SYMBOL	THOUS SH OUTSTANDING		
	PA	1440			PBC	5711			PBC	11844			PCC	1174			PEG	1776		
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE
6/1	18	69-4	69-4	69-4	110	80	79	79					14	93-1	92-6	92-6	2	18-5	18-5	18-5
2	24	67-6	67-4	67-4	60	79-7	79-2	79-3					22	93	92	92-4	2	18-7	18-6	18-7
3	19	67-4	67-2	67-4	84	79-7	77-6	79					13	93	92-2	92-6	6	18-7	18-4	18-5
4		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
	63	7.24		59-1	246		+1						49	1.30		93-2	10	2.01		18-6
7					13	79-6	78-3	79-3					13	93-3	92-4	92-4	8	18-3	18-2	18-2
8					3	77-6	77-4	77-6					15	92-6	92	92	7	18-5	18-2	18-5
9					21	77-4	76-6	77					15	93	91-6	91	8	18-4	18-2	18-2
10					25	78	77-1	78					8	94-4	93	94-4	17	18-4	18-3	18-3
11					32	78-3	78	78					4	95-2	95-4	95-2	13	18-4	18-2	18-2
					343		9.35						55	10.13		93	53	1.97		18-5
14					19	78-3	78	78					3	96	95	95	9	18-4	18-1	18-2
15					35	77-6	77-4	77-6					2	94	94	94	15	18-3	18-1	18-1
16					33	77-4	77-4	77-4					13	95	91-2	91-2	11	18-2	18	18-2
17					32	77-2	77	77					9	92-4	91-4	91-4	10	18-3	17-6	17-6
18					7	77	77	77					1	91-4	91-4	91-4	28	18	17-4	17-6
19													28	9.00		93-5	73	1.92		18-5
					126		8.33						7	93-5	93-2	93	13	17-5	17	17
21	71	68-4	65	67-1	39	77-4	77	77					3	89-4	89-3	89-4	11	16-6	16-3	16-3
22	32	67-2	67	67	14	77	77	77					2	90-4	89-4	89-4	27	16-3	16	16
23	41	-7	66-7	66-7	43	77-2	77	77-2					6	91-4	90-4	91-4	9	16-1	16	16
24	20	67	67	67	77	77-6	77-2	77-4					4	92-4	91-2	91-2	55	16-4	16	16-4
25	14	66-6	66-4	66-6	104	78-6	77-6	78-6					22	9.93		93-2	115	1.74		16-5
	179	7.27		63-2	297		8.41						26	92	91-4	92	33	16-7	16-2	16-4
28	4	66-2	66-2	66-2	74	79	78-3	79					4	93	93	93	19	16-5	16-4	16-4
29	31	66-4	66-2	66-2	200	80-2	79	80					7	95-4	93-4	95	21	17	16-4	16-5
30	18	67-5	66-2	67-5	574	81	79-3	78-4					7	95-4	94-6	95-4	15	16-6	16-4	16-5
5/1	32	69	68	69	91	79-6	77-2	78-4	•	38-4	39-4		7	95-2	94-6	95	10	17-1	16-5	17-1
2	14	69-4	69	69	542	80-4	78-6	77		33	39		51	10.05		84	97	1.74		18-4
	101	7.27		60-5	1535		5.77	78-3					6	95	95	95	11	17-3	17	17
5	1	69-4	69-4	69-4	35	77-3	77	77-3		38	39		5	95-2	95-1	95-1	42	17	16-4	16-5
6	10	69	69	69	14	78-3	77-3	78		38-4	39		13	95-1	94	94	17	16-7	16-5	16-7
7	63	70	69	70	212	77-4	75	75-2		32	32-6		12	93-7	93	93-5	19	16-7	16-3	16-7
8	105	71-4	69-6	71-4	65	75-3	75	75-2		37	37-6		21	96	94-5	96	4	16-7	16-6	16-7
9	38	73	72-2	72-4	188	75-4	73-2	73-4		36-4	37		57	9.72		94-6	93	1.75		18-5
	217	7.42		61-2	509		7.81	70-7					10	96-7	96	96-7	5	17-2	17	17
12	15	73	72-4	72-6	26	74	73-4	74		35-2	37		6	98-1	98-2	98-1	2	17-2	17-1	17-2
13	16	72-4	72-4	72-4	198	75	73-6	75		36-2	37-2	x	15	100	98-2	100	3	17	17	17
14	50	73	72-4	72-6	29	74-5	73-4	73-4	3	37-1	37-1	37-1	5	99	99	99	36	17-2	17	17-1
15	14	73	73-2	72-2	29	74	73-6	73-6	7	37-2	38-7	37-1	15	99-6	98-2	98-2	4	17-2	17-1	17-1
16	67	77-2	75-2	75	42	74-4	73-5	74-4	7	37-4	37-1	37-4	51	10.24		95-2	50	1.77		18-5
	162	7.49		61-6	324		7.64	71	17		3.85		8	99-4	98	99-4	9	17-3	17	17-3
19	150	79	76-6	77-5	75	78-5	77-4	78-5	•				2	98	97	97	8	17-3	17-1	17-3
	59	78	76	76	163	79-2	78-1	79-1					9	98-2	97-7	98-2	9	17-4	17-1	17-3
21	15	77-3	77	77	91	79	78-4	78-6					14	98	97	97	14	17-3	17-1	17-1
22	23	77-3	76	76-2	105	79-4	78-6	79-2					7	98-2	97-2	97-7	7	17-3	17	17
23	57	76	75-4	75-6	x 258	79	78-4	78-6					10	98-2	97-2	97-7	44	1.80		18-5
	299	8.03		62-4	679		4.13						37	10.32		95-7	11	17	17	17
26	x 94	75-4	75	75-2	107	81-6	78-2	78-7					1	97	97	97	23	17-1	17	17-1
27	26	75	75	75	71	79-2	77-4	77-4					4	96-2	94-1	95-1	12	17-3	16-7	16-7
28	30	75	75	75	74	77-5	77	77-5					19	98-1	95	94-1	7	17-1	16-7	16-7
29	48	75	74-6	75	179	77-6	77	77					9	99-6	99	99-2		HOLIDAY		
30		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			33	10.12		86-5
	138	8.00		63-2	424		9.95	77-6									3	98-6	98-6	98-6
6/2	27	74	74-2	74-2	156	77-5	75-4	76									1	97-6	97-6	97-6
3	65	74	71	71	96	76	75	76											97-2	98-6
4	118	70	69	70	49	76-2	76	76-1									30	101-4	97-2	100
5	23	70	69-4	69-4	41	76-4	76-2	76-2									12	100-4	100-2	100-4
6	33	70	69-4	70	425	76-6	76-2	76-6									46	10.76		87-4
	761	7.47		63-7	768		3.89	77-7									15	100-2	97-6	99-1
9	15	69	69	69	22	77	76-4	76-6									19	101-4	100	100-4
10	14	68-6	68	68-4	60	77	76-6	77									12	100-7	99-2	100-7
11	8	67-7	67-4	67-4	31	77-3	77	77-1									2	100-2	99-2	99-2
12	16	67-4	66-6	66-6	42	77-4	77	77									9	100-2	98	99-2
13	25	66	66	66	114	77-5	76-1	77-2									57	11.12		88-3
	76	7.48		64-7	279		4.15	77-7									10	100	99	99
16	16	66-4	65	65	82	77-3	76-6	77									14	98-4	96-6	97
17	23	65	64-6	64-6	45	77-4	76-6	76									25	99	97	98-5
18	4	64-4	64-4	64-4	29	76-7	76-2	76-4									4	98-6	98-4	98-4
19	12	65-6	64-4	65-2	121	77-4	76	76									23	100-2	98	100-2
20	3	65	65	65	29	77-4	76-6	76-6									9	100-2	98	100-2
	58	7.49		64-5	489		4.08	76-7									76	11.16		89-1
23	10	64-4	63-6	63-6	141	77-3	76-4	76-6									22	100-7	99	100
24	4	63-2	63-2	63-7	43	77-6	76	76-7									10	101	100-2	100-2
25	10	63-1	63	63-1	50	77-6	76-2	76-7									22	103	101-4	102
26	2	63	63	63	163	77-4	76	76-7									14	102-6	101-2	102-6
27	9	62-6	62-2	62-6	16	76-5	76-4	76-4									23	102-6	102-2	102-2
	35	7.24		65	413		4.05	76-7									91	11.01		89-7
30	4	62-2	62-2	62-2	31	76	76-4	76-4									19	102-6	101-2	101-2

EARN		$ 2.36				$ 1.25					$ 1.58			$ 1.42		EARN
DIV	•SUSPENDED •REINSTATED .350				•2/1 SPLIT .170				•NEW FOR 2SI SPLIT •10 TRADE REGULAR WA				.100		.200			DIV
JAN 1969 HIGH	JUL - JAN -				JUL 54041 JAN 11259				JUL - JAN -				JUL - JAN -				JUL - JAN -			JAN 1969 HIGH
	AUG - FEB 2467				AUG 41377 FEB -				AUG - FEB -				AUG - FEB -				AUG - FEB -			
	SEP - MAR 13402				SEP 29766 MAR -				SEP - MAR -				SEP - MAR -				SEP - MAR -			
	OCT - APR -				OCT 2 361 APR -				OCT - APR -				OCT - APR -				OCT - APR -			
	NOV - MAY -				NOV 28151 MAY -				NOV - MAY -				NOV - MAY -				NOV - MAY -			
	DEC - JUN -				DEC 24135 JUN -				DEC - JUN -				DEC - JUN -				DEC - JUN -			
JAN 1969 LOW	MAY -765 NOV -				MAY 5 M NOV -				MAY - NOV -				MAY - NOV -				MAY - NOV -			JAN 1969 LOW
	JUN -1339 DEC -				JUN 255 DEC -				JUN - DEC -				JUN - DEC -				JUN - DEC -			
	JUL -1309 JAN -				JUL 1356 JAN 14581				JUL - JAN -				JUL - JAN -				JUL 8245 JAN -			
	AUG - FEB -				AUG - FEB 1247				AUG - FEB -				AUG - FEB -				AUG 1958 FEB -			
	SEP - MAR -				SEP 100 MAR -				SEP - MAR -				SEP - MAR -				SEP - MAR -			
	OCT - APR -				OCT - APR -				OCT - APR -				OCT - APR -				OCT - APR -			

*PEA AIRCRAFT CORP					PITNEY-BOWES, INC				PITTS COKE + CHEM				PITTS FORGINGS CO				PITTS FT WAYNE + CHIC				
TICKER SYMBOL		THOUS SH OUTSTANDING			TICKER SYMBOL		THOUS SH OUTSTANDING		TICKER SYMBOL		THOUS SH OUTSTANDING		TICKER SYMBOL		THOUS SH OUTSTANDING		PF 7(				
PP4		1642			PBI		11980		PCK		1163		PFG		1796		TICKER SYMBOL		THOUS SH OUTSTANDING		
																	PFT *A		197		
SALE	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	Z VOL	HIGH	LOW	CLOSE	
4	62	62	62		14	>36	35-6	35-6	45	102	>100-6	102	2	15-7	15-6	15-6		100-4	100	7/1	
1	62	>62	62		84	36	35-2	35-4	39	103-2	102	103-1	19	>16	>15-4	15-6		101	100	2	
13	64-2	62-4	64-2		35	35-2	>35	35	41	>106-4	103	105-4	3	16	15-7	15-7		101	100	3	
	HOLIDAY					HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			
	7.25					3.99		36		11.91		90-6		1.79		18-2		11.62		107-5	
8	66	65	66		51	>35-5	35-1	35-3	20	>106	105-1	105-1	5	>16	16	16	350	>101	100	100	7
6	>66-4	66	66-2		65	35-4	35	35	21	104-1	102-4	103-3	7	15-6	15-5	15-5	130	100	99-4	99-4	8
9	66	65-6	66		42	34-4	34-2	34-4	4	103-2	101-7	101-7	3	15-7	15-7	15-7	10	99-4	99-4	99-4	9
10	65-6	63-4	63-4		46	34-2	33-2	33-2	7	102	>101-2	102	1	15-7	15-7	15-7			99	100	10
11	63-4	>63	63-4		43	33-6	>32-4	33-2	21	104-2	101-6	104-2	7	15-7	>15-5	15-5	200	99-2	>99-2	99-2	11
67	7.49		64-2		243	3.97		36	73	12.03		91-3	23	1.87		18-1	890	11.80		107-3	
3	63-4	63	63		75	33	32-2	32-4	16	104	102-4	102-4	5	15-5	15-5	15-5	160	>99	>98	98	14
1	62-4	>62-4	62-4		92	32-2	31-2	32-2	11	102	>101	102	8	15-4	>15-2	15-4			98	99-4	15
22	64	63	64		25	32-4	32	32-1	18	103-4	102	102-6	1	15-6	15-6	15-6	10	98-4	98-4	98-4	16
31	67	65	67		49	>33-2	32	32	67	>105-2	103	105	10	15-6	15-5	15-5			98	99-4	17
85	>72-4	66	72-4		26	32-1	>31-2	31-2	35	105	103	103	3	>15-7	15-6	15-7	50	98-4	98-4	98-4	18
155	7.85/		60-6		267	3.75		36	147	12.31		92-1	27	1.83		18	220	11.66		107-1	
HOLIDAY					HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				
69	>73-2	72	73		81	>31-3	30-6	31-2	15	>103-4	101-1	101-1	19	>16-1	15-2	15-2		98	99		21
65	73	70-4	70-4		56	31-2	30	30	17	100	>99	100	5	15-2	15-1	15-1		98	99		22
31	70-4	70	70		33	31	30	30-4	19	100	99-1	99-2	5	15-2	15-1	15-2	260	>98-1	>98	98	23
44	70	>69	69-6		99	31-2	>30	31-2	21	100-4	99-4	99-5	15	15	>14-6	14-6			98	99	24
209	8.47		61-3		229	3.69		35-7	72	12.01		92-5	44	1.85		17-6	250	11.86		106-5	25
46	>69-2	65-4	65-4		136	31-2	30-1	30-3	2	100	100	100	7	14-6	14-2	14-2	140	>98-6	98-6	98-6	28
52	64-4	63	63		75	31-2	>30	30-5	5	99	96-4	96-4	18	14-2	13-6	13-6	20	98-6	98-6	98-6	29
37	65	>62	65		78	31-5	30-5	31-2	8	97	>95	97	8	14	>13-6	13-7			98	99	30
32	65-6	64-5	65-6		121	33-1	31-1	33	10	98-6	96-2	98-6	8	14-3	14-1	14-3	50	98	>98	98	31
30	65-3	63	64-4		149	>33-6	32-1	32-6	38	>102	100	101-4	8	>15	14-5	15			98	99	8/1
107	8.05		61-6		559	4.05		35-7	63	12.11		93	49	1.76		17-5	210	12.02		106-3	
10	62-7	62-7	62-7		58	32-7	32	32	3	101-6	100-6	101-6	8	>15-3	15-1	15-3			98	99	4
42	65-2	>62-6	65-2		96	32-6	32	32-6	10	101	100	101	11	15-3	15	15			98	99	5
87	>72	64-6	66		103	32-4	32	32-2	7	>102	100-2	101-2	6	15-1	15	15	10	>98-4	>98-4	98-6	6
75	65-7	63-4	65-4		97	32-5	>32	32-5	7	102	101	101	13	15-2	>15	15-2			98	99	7
63	70	65-4	69-4		136	>33-2	32-4	33-2	7	100-4	>100	100-4	7	15-3	15-1	15-3			98	99	8
277	7.93		62-1		990	3.95		35-7	34	12.22		93-5	45	1.85		17-4	10	11.98	106		
					104	33-3	32-2	32-6						15-2	15-4		50	98-6	98-6	98-6	11
					132	33	>32	32-7						15-2	15-4		170	>99	98-4	99	12
					68	32-5	32-4	32-4					2	15-2	15-2	15-2			98-4	100	13
					184	33	32-4	33					8	>15-3	>15	15-2			99	100	14
					315	>34-4	33	34-4					4	15-2	15-1	15-1	430	99	>98	98	15
					803	4.06		35-7					14	1.86		17-3	650	12.30		105-5	
					21	35-2	>34-2	35					6	>15-2	15-1	15-1	210	98	98	98	18
					105	36-4	35	36-4					10	15-1	14-7	14-7	30	98	98	98	19
					61	36-5	35-7	36-4					11	15-1	14-7	14-7			99	100	20
					70	37-3	36-5	36-6					2	15-1	14-7	15-1			98-4	99-4	21
					392	4.40		36					34	1.81		17-2	530	11.92		105-2	22
					73	37-6	37	37-4						14-7	15			98	99-4	25
					62	37	36	36-2					1	>15	15	15	20	98-2	>98	98	26
					8	36-2	>35-6	36-2					7	14-7	14-6	14-6			98-2	99-4	27
					26	36-4	36-4	36-6					7	14-7	14-6	14-6			98-2	99-4	28
					252	>36	37-2	37-6					X 4	14-5	>14-4	14-4	30	>99	99	99	29
					421	4.41		36					19	1.78		17	50	12.01		104-7	
HOLIDAY					HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				9/1
					78	>36-1	37	37					3	>14-4	14-4	14-4	10	>99	99	99	2
					37	37-3	36-2	36-2					3	14-4	14-2	14-2			99	100	3
					37	36-6	35-6	36-1					5	14-3	14-1	14-2	X		97-2	100	4
					27	36-4	>35	35-4					8	14	>13-7	13-7	50	98	>98	98	5
					179	4.38		36					19	1.73		16-7	60	12.12		104-4	
					46	35-6	35	35					2	>14	13-7	14			98	100	8
					55	35-4	>34-4	35-4					9	14	13-6	13-7			98	100	9
					14	36	35-2	36					17	14	13-5	13-5			98	100	10
					86	36-3	36	36					7	13-6	>13-5	13-6			98	100	11
					54	>37	36	36-6					7	14	13-7	13-7	30	>98	>98	98	12
					225	4.36		36-1					42	1.67		16-5	30	12.11		104-1	
					217	>37-7	36-6	37-2					10	13-7	13-6	13-6			99	100	15
					51	37	>36-2	36-6					14	>14	13-5	13-5	10	>99	99	99	16
					31	37-1	36-4	36-4					2	13-5	13-5	13-5	60	99	98-6	98-6	17
					34	37-4	36-6	37-1					12	13-7	>13-5	13-6	60	98-2	>98-2	98-2	18
					50	37-4	36-6	36-6					8	14	14	14			97-4	98-4	19
					383	4.46		36-1					46	1.65		16-3	130	11.57		103-5	
					43	37-6	>37	37-1					29	>14-1	13-7	13-7			97	98-6	22
					141	>38-2	37-4	38					4	14	13-6	13-6	20	98	98	98	23
					55	38-2	37-4	38					9	13-6	13-5	13-5	120	>98-4	98-4	98-4	24
					18	37-7	37-5	37-5					6	13-5	13-4	13-5	60	97	97	97	25
					47	38-1	37-2	37-4					7	13-7	>13-4	13-7	10	97	>97	97	26
					304	4.53		36-2					57	1.64		16-1	210	11.89		103-1	
					63	37	36-1	36-3					14	14	13-5	13-5	10	98-4	98-4	98-4	29
					119	36-3	36	36					3	13-6	13-5	13-6			98-2	97-4	30
* SUSPENDED			$ 2.86					$ 1.26	* SUSPENDED			$ 1.58				$ 1.52					EARN
					.170				.100				.200				1.750				
																					DIV
OCT	-	APR	-		OCT	28363	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-	
NOV	-	MAY	-		NOV	26151	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	SHORT
DEC	-	JUN	-		DEC	24138	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	
JAN	-	JUL	-		JAN	11259	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	
FEB	7487	AUG	-		FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	
MAR	13412	SEP	-		MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	
APR	-	FEB	-		AUG	-	FEB	1697	AUG	-	FEB	-	AUG	1906	FEB	-	AUG	-	FEB	-	
MAY	-	MAR	-		SEP	100	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	INTER
JUN	-	APR	-		OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-	
JUL	-	MAY	-		NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	MEDIATE
		JUN	-		DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	
		JUL	-		JAN	1663	JUL	1644	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	TERM

EXHIBIT-8

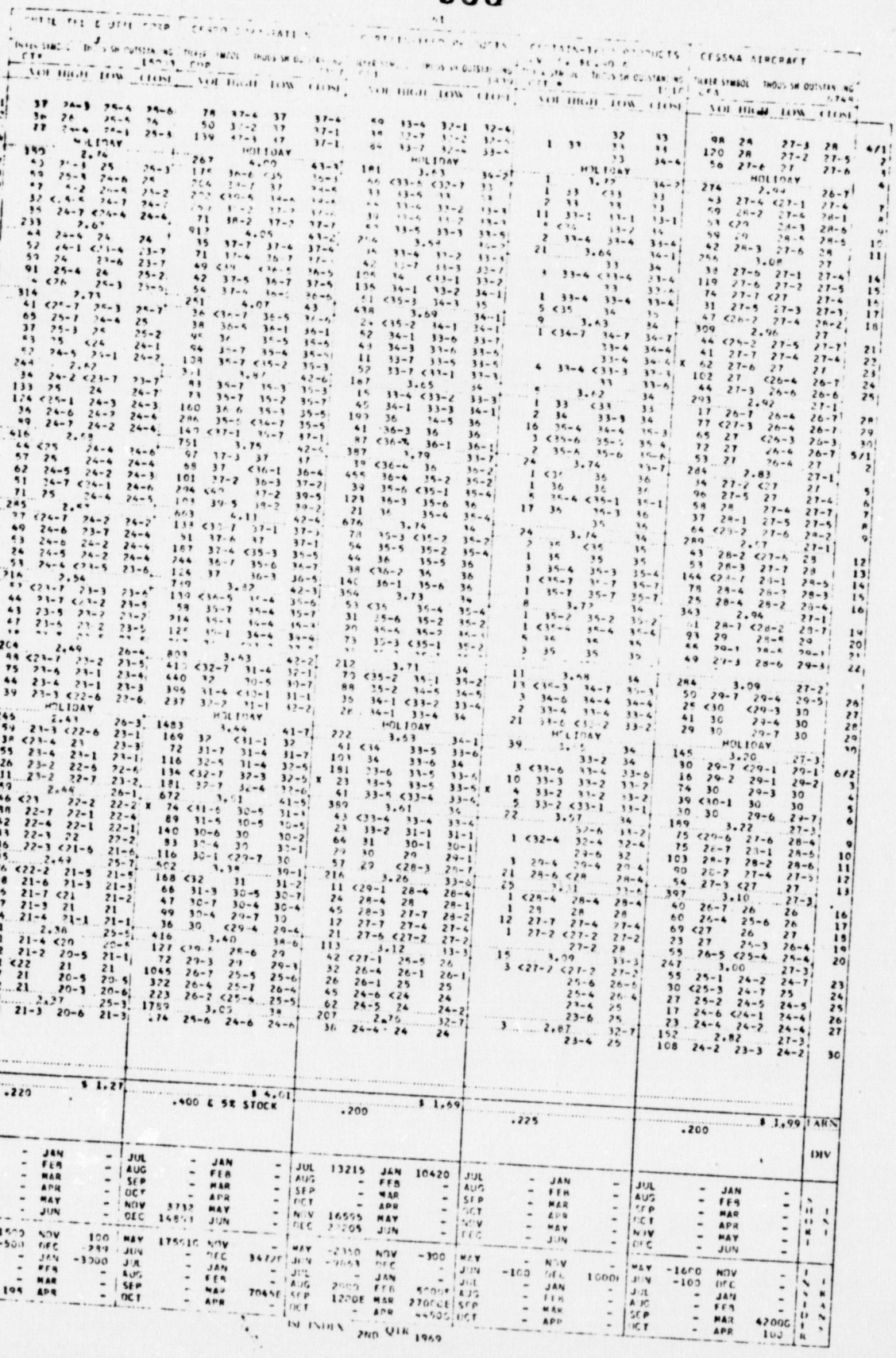
	CNTRL TEL & UTIL CORP				CERRO CORPORATION				CERTAIN-TEED PRODUCTS				CERTAIN-TEED PRODUCTS CV PF, $2.50 A				CESSNA AIRCRAFT				
	TICKER SYMBOL CTX		THOUS SH OUTSTANDING 14484		TICKER SYMBOL CRP		THOUS SH OUTSTANDING 7357		TICKER SYMBOL CRT		THOUS SH OUTSTANDING 3532		TICKER SYMBOL CRT •		THOUS SH OUTSTANDING 1144		TICKER SYMBOL CEA		THOUS SH OUTSTANDING 3370		
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	
10/1					127	43-6	43-1	43-6	188	38-4	36-4	38-4	8	37-6	37	37-5	57	53-3	51-6	53-1	10/1
2		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			2
3					203	43-7	42-6	43-1	103	39-1	38-5	38-6	5	38-6	38-5	38-6	975	54-4	53	53-4	3
4					156	42-7	42-1	42-2	125	38-7	37-6	37-6	4	38-4	38-2	38-2	4	54	53-6	54	4
					486	4.54		42-5	416	4.08		29-2	17	4.08		29-2	1036	5.63		54-5	
7					150	42-2	41-5	41-6	132	▫38-1	37-5	37-5	8	▫37-5	37-2	37-4	14	53-6	▫53	53-4	7
8		HOLIDAY			99	▫42-5	42	42-2	271	37-6	35-3	35-3	24	36-6	35-2	35-2	29	54-4	53-6	53-6	8
9						HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			9
10					755	39-7	▫39	39-4	129	35	33-4	33-4	5	34	33-2	33-2	333	53-7	53-2	53-6	10
11					273	40-6	39-3	40-4	102	34-6	▫33-1	34-6	4	34-1	▫33-1	34-1	124	▫55-3	53-4	55-3	11
					1317	4.16		42-4	634	3.53		29-6	41	3.50		29-5	500	5.66		54-7	
14					170	▫40-4	▫39-5	39-5	43	34-6	34-2	34-2	4	34-3	▫33-7	33-7	11	▫55-2	54-3	54-3	14
15					190	40	39-5	39-5	54	34-6	▫34-1	34-4	9	34-3	34	34	35	54-2	▫53-4	53-5	15
16		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			16
17					218	40-3	39-6	40	80	▫35-3	34-6	35	14	▫34-6	34-5	34-6	28	54	53-4	53-6	17
18					89	40-2	39-7	40-2	86	35-2	34-4	35	3	34-4	34-4	34-4	42	53-6	53-4	53-4	18
					667	4.17		42-5	263	3.65		30-3	30	3.62		30-1	116	5.61		54-2	
21					119	40-3	40	40-2	47	▫35-2	34-4	34-7	2	▫34-4	34-4	34-4	17	53-5	53-2	53-3	21
22					79	40-4	40	40-1	30	35	34-4	34-6			34-4	35-4	51	53-3	▫52-6	52-6	22
23		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			23
24					138	39-7	▫39-4	39-6	125	34-6	33-6	34-6	3	34-2	▫33-7	33-7	236	55-2	54-2	54-3	24
25					190	▫42	39-5	42	41	34-3	▫33-4	34-3	1	33-7	33-7	33-7	67	▫56-3	54-6	54	25
					526	4.16		42-6	243	3.63		30-7	6	3.54		30-5	371	5.68		55-4	
28					111	42-3	41	41-3	104	34-2	▫32-2	32-5	8	32-2	▫32	32	47	56-7	56-2	56-5	28
29					141	41-2	▫40-3	40-6	91	33-7	33	33-1	4	33-3	32-5	33-3	X 69	▫57-1	56-3	56-3	29
30		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			30
31	• 123	▫28-2	27-4	27-7	300	▫42-4	41-2	41-6	60	34-2	33-1	33-4	1	▫33-5	33-5	33-5	39	56-3	55	55	31
11/1	289	28-1	▫27	27-5	154	42-3	41-4	42-1	98	▫34-6	34-1	34-1			34	34-6	62	55-4	▫54	54-1	11/1
	412	2.93			706	4.38		42-6	353	3.52		31-1	13	3.53		31	217	5.78		55-5	
4	99	28-1	▫27-4	28-1	164	42-1	41-5	42-1	31	34-1	▫33-2	34			33-2	35	15	54	▫53-5	54	4
5		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			5
6	71	29-1	28-2	28-6	150	42	▫41-1	41-5	57	35	33-7	34-2			34-1	34-4	29	54-7	54-5	54-7	6
7	138	29-5	28-5	29-3	281	43	41-1	42-6	33	34-6	33-6	34-4	3	34	▫33-6	34	12	▫55	54-2	55	7
8	173	▫31-2	29-4	30-4	511	▫43-4	42-4	43	206	▫37-1	34-4	36-7	17	▫36-4	35	36-4	11	55	54-4	54-4	8
	481	3.09			1106	4.50		42-7	327	3.63		31-3	20	3.58		31-2	67	5.79		55-5	
11		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			11
12	113	▫30-7	29-6	29-6	186	43-4	▫42-6	43-4	130	39	38-2	38-7	15	38-4	▫38	38-4	28	▫54-7	54-2	54-4	12
13	107	29-6	28-6	29-2	101	43-3	43	43-3	102	▫39-2	▫38-1	38-4	11	▫38-6	38-2	38-6	43	54-4	54	54-4	13
14	98	29-4	28-5	29	545	44-5	43-3	44-5	169	39-1	38-5	38-6	3	38-4	38-3	38-3	34	54-2	53-4	53-7	14
15	100	29-6	▫28-4	29-4	340	▫45-3	44-2	45	50	38-7	38-5	38-5	1	38-2	38-2	38-2	30	54	▫53-2	53-4	15
	418	3.01			1172	4.63		43	451	4.02		31-6	30	3.98		31-5	135	5.59		55-5	
18	66	▫30	29-5	29-7	198	▫45-1	44-5	44-7	67	▫38-4	38	38-2	6	38	37-6	37-6	69	53-2	▫51-6	52-5	18
19	62	30	29-2	29-5	182	44-7	44-3	44-4	32	38-3	38	38-1	1	38-2	38-2	38-2	41	53-1	52	53-1	19
20		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			20
21	90	29-4	▫28-5	29-2	171	44-7	44-2	44-2	106	39-1	37-4	37-4	1	▫38-3	38-3	38-3	47	▫54-4	53-6	54-1	21
22	91	29-2	28-5	28-7	189	44-4	▫43-6	43-7	244	38-3	▫36-4	38-3	4	38	▫36-6	38	365	54	52-6	53-1	22
25	94	29	▫28-4	28-7	413	45-4	▫44	45	114	▫38-5	38	38-3	3	▫38-2	38	38	28	53-3	52-5	53	25
26	176	▫29-3	28-5	28-7	252	46	44-6	45-6	85	38-5	38	38-3	5	38	37-7	37-7	69	53-1	▫52-2	52-4	26
27	99	29-1	28-5	28-7	628	48-3	45-2	48-3	38	38-5	▫37-4	37-5	1	37-2	▫37-2	37-2	40	53-4	52-4	53	27
28		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			28
29	62	28-7	28-5	28-5	1495	▫51-6	50-5	51-2	35	38-4	37-5	38-4	3	38-2	37-5	38	20	▫54-1	53-2	54-1	29
	427	2.93			2788	5.25		43-3	272	3.94		32-4	12	3.89		32-3	157	5.54		55-4	
12/2	65	28-5	28-2	28-4	710	▫51-7	49-3	49-3	295	40-6	38-4	40-6	48	40	▫38	40	71	55-6	▫54-5	55-6	12/2
3	119	▫28-7	28-2	28-7	295	49-3	▫48-3	48-4	70	▫40-7	40-1	40-3	5	▫40-4	40-2	40-2	67	56-4	55-6	56-2	3
4		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			4
5	134	28-6	28	28-1	259	49-5	48-6	49-3	X 47	39-6	39	39	X 4	39-1	38-6	38-6	40	▫56-6	55-6	55-6	5
6	90	28-3	▫27-6	28	371	50-5	49-2	50	28	39	▫38-2	38-5	1	38-4	38-4	38-4	23	55-5	55-1	55-4	6
	428	2.88			1635	5.05		43-5	440	3.99		32-7	58	3.96		32-6	201	5.70		55-4	
9	73	▫28	27-1	27-3	X 287	▫50-3	49-2	49-2	33	▫38-7	38	38			37-5	38-3	9	55-4	55-2	55-2	9
10	X 91	27-3	26-7	27	148	49-6	49	49-1	47	37-7	37-2	37-4	7	▫37-5	37-1	37-1	127	▫55-5	55	55	10
11		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			11
12	198	27-4	26-4	26-6	276	49-6	49	49-5	37	37-6	37-2	37-6	5	37-1	37-1	37-1	136	55	54-4	54-6	12
13	107	27-2	▫26-5	26-5	485	50-2	▫48-6	49	29	37-5	▫37-1	37-1	4	37	▫36-6	36-6	12	54-6	▫54-1	54-3	13
	469	2.74			1196	5.08		44	146	3.86		33-2	16	3.80		33-1	286	5.60		55-3	
16	115	26-6	25-4	25-7	574	▫49-1	48-4	48-5	63	37-4	36-2	36-2			36	37	63	55	54	54-4	16
17	98	26-2	25-4	26-1	282	49	48-5	48-6	100	36-6	▫35-4	36	1	36-3	▫36-3	36-3	15	54-6	54-1	54-2	17
18		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			18
19	195	26-2	▫25-2	26-2	294	49	▫48	48	230	36-7	35-5	36-7	1	36-5	36-5	36-5	119	54-3	53-6	53-6	19
20	152	▫28-7	26-2	28-7	191	49	48-2	48-6	61	▫37-7	37-2	37-6	3	▫37-3	37-3	37-3	26	53-6	▫53-4	53-6	20
	560	2.69			1341	4.92		44-2	454	3.78		33-4	5	3.76		33-3	223	5.51		55-2	
23	126	▫29-2	28-2	28-4	246	48-7	▫48	48-3	106	▫39-1	37-5	38-6	5	▫38-2	38	38-2	22	53-5	53-4	53-5	23
24	50	28-5	28	28-5	169	48-5	48-1	48-2	72	38-6	36-6	36-6	3	37	36-4	36-4	85	53-6	▫53	53-5	24
25		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			25
26	43	28-4	27-7	27-7	301	48-6	48-4	48-6	13	36-7	36	36-2	1	36-4	36-4	36-4	37	▫53-7	53-5	53-7	26
27	65	27-7	▫27-2	27-2	117	▫49	48-3	49	37	36-1	▫34-2	34-4	7	34-5	▫34-5	34-5	18	53-7	53-1	53-1	27
	284	2.92			833	5.11		44-4	228	3.80		33-7	16	3.82		33-5	162	5.65		55-1	
30	80	27-5	26-6	26-6	291	50-2	49-1	50-2	39	34-6	33-2	33-4			32-6	34	33	53-4	52-6	53	30
31	176	27-5	26-4	27-2	584	51-3	50	51-3	71	34-5	33-4	34-4	5	34-2	34-2	34-2	36	53-2	52-2	52-2	31
EARN				$ 1.25				$ 5.19				$ 1.41								$ 3.60	EARN
DIV		♦FROM CTC .200				.400				.200				.225				.350			DIV
SHORT INT	JAN	-	JUL	-	JAN	-	JUL	-	JAN	47788	JUL	13215	JAN	-	JUL	-	JAN	-	JUL	-	SHORT INT.
	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	
	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	
	APR	-	OCT	-	APR	-	OCT	-	APR	17875	OCT	-	APR	-	OCT	-	APR	-	OCT	-	
	MAY	-	NOV	-	MAY	-	NOV	3732	MAY	37463	NOV	16595	MAY	-	NOV	-	MAY	-	NOV	-	
	JUN	-	DEC	-	JUN	-	DEC	14898	JUN	47788	DEC	22205	JUN	-	DEC	-	JUN	-	DEC	-	
INSIDERS	NOV	-	MAY	-1500	NOV	-	MAY	17591G	NOV	-	MAY	-2350	NOV	-	MAY	-	NOV	-	MAY	-1600	INSIDERS
	DEC	-	JUN	-500	DEC	-	JUN	-	DEC	257	JUN	-9863	DEC	100	JUN	-100	DEC	-	JUN	-100	
	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-500	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	
	FEB	1782	AUG	-	FEB	-	AUG	-	FEB	500E	AUG	2900	FEB	-	AUG	-	FEB	-	AUG	-	
	MAR	-	SEP	-	MAR	17996	SEP	-	MAR	2729	SEP	1200E	MAR	-	SEP	-	MAR	800E	SEP	-	
	APR	-	OCT	195	APR	2056	OCT	-	APR	-2600	OCT	-	APR	-	OCT	-	APR	-200	OCT	-	

ISE INDEX 4TH QTR 1968

62

	CERRO CORPORATION					CERTAIN-TEED PRODUCTS					CERTAIN-TEED PRODUCTS					CESSNA AIRCRAFT					CESSNA AIRCRAFT				
	TICKER SYMBOL THOUS SH OUTSTANDING					TICKER SYMBOL THOUS SH OUTSTANDING					CV PF $1.00 A					TICKER SYMBOL THOUS SH OUTSTANDING					NEW ISSUE				
	COP 7357					CRT 3532					TICKER SYMBOL THOUS SH OUTSTANDING					CEA 3470					CEA & 6740				
	VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE	
1/1			HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY						HOLIDAY		1/1
2	390	52-2	51-5	52-2		36	34-6	34-4	34-6		2	34-1	34-1	34-1		37	53	51-4	52-6						2
3	753	52-3	51-5	51-5		34	34-4	33-6	33-6		1	34-3	34-3	34-3		11	52-6	52-5	52-5						3
	1143	5.51		44-7		70	3.67		33-7		3	3.60		33-5		48	5.57		54-7						
6	330	<51-7	50-2	50-2		64	<33-3	31-5	31-6		1	<32-7	32-7	32-7		10	52-7	52-2	52-4						6
7	228	50-7	50-1	50-3		287	31-4	29-6	30-3		4	30	30	30		64	<53-2	52-6	53						7
8	270	51-4	50-2	50-3		175	31	30	30		6	30-4	30-3	30-3		74	53	<53-2	53						8
9	259	51	50	50-1		87	30-6	29-1	29-1		5	30	30	30		50	52-4	51	52-3						9
10	273	50-3	<49-5	49-6		220	28-5	<28-2	28-4		6	29	<29-4	29-4		10	53-2	52-3	53						10
	1360	5.40		45-1		833	3.14		33-6		22	3.23		33-5		228	5.65		54-3						
13	96	49-5	<49-1	49-4		84	28-5	<28	28-2		5	28	<27-6	28		14	52-6	<52-2	52-4						13
14	70	49-7	49-3	49-6		68	30	28-2	30				29-4	30-4		30	53	52-6	53						14
15	95	50-5	49-6	49-6		149	31-3	30-4	31		15	30-7	30-2	30-3		14	53	52-6	52-6						15
16	144	50-4	49-6	50-2		231	<32-2	30-7	30-7		1	<31	31	31		54	<53-2	52-7	52-7						16
17	388	<51-1	50-1	50-2		89	30-7	30	30-3		3	30-2	30-2	30-2		14	52-7	52-4	52-7						17
	793	5.35		45-1		621	3.29		33-7		24	3.30		33-5		128	5.63		54-1						
20	229	<51-2	50	50		246	<32-3	<31-1	32		1	<31-6	31-6	31-6		17	<52-7	52-2	52-2						20
21	181	50-1	49-6	49-7		149	32	31-5	31-7		12	31-4	<31-2	31-3		17	52-7	52-2	52-5						21
22	123	50	<49-5	50		82	32-1	31-6	31-7		7	31-4	31-3	31-3		15	52-4	52-3	52-4						22
23	266	50-2	49-7	50-1		39	32-3	31-7	32		3	31-5	31-3	31-5		25	52-4	52-1	52-4						23
24	224	50-3	50	50		47	32-2	31-6	31-6				31	32		26	52-4	<52	52-1						24
	1023	5.33		45-2		513	3.40		34		23	3.36		33-7		100	5.58		53-7						
27	277	<50-3	49-6	50		51	<32	31-4	31-5				31	32		90	52-4	52	52-3						27
28	131	50-1	49-6	49-7		21	31-4	31	31-2				30-6	32		33	52-4	<51-6	52						28
29	411	50	46-4	46-4		87	31-2	30-2	30-3				30-4	31		265	52-4	52	52-4	•		26	27		29
30	934	43-3	42-4	43		45	30-7	30-1	30-1		3	<30-4	<30	30		50	<52-6	52-4	52-4			26	27		30
31	950	42-6	<41	42-5		71	30-5	<30	30				29-4	30		29	52-5	52-5	52-5			26	27		31
	2703	4.56		45		275	3.30		34-1		3	3.18		33-7		462	5.57		53-5						
2/3	525	<44	41-6	43-5		112	29-4	<28-5	28-6		1	29-1	<29-1	29-1		59	52-5	<52	52-3			26	27		2/3
4	157	43-7	43-3	43-4		95	29-4	29	29		1	29-4	29-4	29-4		112	52-5	52	52-5			26	27		4
5	198	43-2	41-7	42-3		89	29-4	29-1	29-3				29-1	30	x	49	<52-7	52-3	52-4		1	26-6	<26-6	26-6	5
6	379	42	41-1	41-4		102	31-6	29-5	31-6		1	29-4	29-4	29-4		17	52-5	52-2	52-3		5	26-7	26-6	26-7	6
7	297	41-3	<40-6	41		127	<32-7	31-7	32-4		29	<32	31-4	32		94	52-7	52-4	52-6		12	<27	26-7	27	7
	1556	4.38		44-7		525	3.35		34-1		32	3.12		34		331	5.53		53-4		18	2.84			
10		HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY						HOLIDAY		10
11	344	40-7	40	40-4		77	<33	31-5	31-7		6	<32-5	31-2	31-2		103	53	<53	53		13	27	<27	27	11
12	352	40-3	39-2	39-4		67	32	31-1	31-1		1	31-2	31-2	31-2		169	53-5	53	53-5		8	27-2	27	27	12
13	500	<43-3	<39	41-7		44	31-5	<31	31-1		3	31	<31	31		202	57	53-2	53-4		19	28-5	27-1	24-5	13
14	450	42-4	40-4	41-7		43	31-7	31-6	31-6				31	32-4		211	<59-2	57-3	59		60	<30-2	29	29-6	14
	1706	4.40		44-6		231	3.27		34-2		10	3.25		34		665	5.93		53-4		100	3.00			
17	479	<39-6	39	39-2		33	<31-7	31-4	31-4				31	32-7		298	<60	59-3	59-3		28	<30-2	29-4	29-5	17
18	411	38-7	37-4	37-6		57	31-2	30-5	30-5		2	30-7	<30-7	30-7		70	57	57-4	57-5		16	29-4	28-6	28-7	18
19	213	37-7	37-4	37-4		44	31-4	30-4	30-4		2	31	30-7	31-7		68	53	57	57-4		15	29-2	<28-5	29	19
20	191	38-1	<37-2	37-5		65	31-2	<30-2	30-5		1	<31-4	31-4	31-4		85	58	<56-7	57		4	29	29	29	20
21		HOLIDAY					HOLIDAY					5.41		34-2		481	6.16		53-6			HOLIDAY			21
	1254	4.07		44-5		199	3.11		34-3		5		30-2	31		89	<57-2	55-5	55-5		63	3.13			
24	140	<37-6	36-7	36-7		94	30-7	<30-1	30-1		3	<31		30		23	55-5	55	55		12	<28-5	28-1	28-3	24
25	203	37-4	36-3	36-4		118	31-3	30-3	30-3				30	31-4		70	55-2	54	55-2		12	28-4	27	27	25
26	155	37-5	37	37-3		84	31-1	30-2	31-1		3	30	<30	30		7	54-2	<53-6	53-6		2	27-4	27-3	27-3	26
27	251	37-2	36-4	36-6		343	<31-5	30-2	30-6				30	31-6							2	27	27	27	27
	873	4.07		44-3		687	3.38		34-4		6	3.52		34-3		213	5.95		53-6		38	2.99			
3/3	128	36-7	36	36-2		98	31-3	<30-5	31		4	<31	31	31		77	54	53-7	54		12	<28-5	28-1	28-3	3/3
4	113	36-3	35-6	36		41	31-2	30-5	31-2		27	30-4	<30-4	30-4		15	<55	54-3	54-6		13	<27-6	27-4	27-4	4
5	1294	<37	35-4	36		34	<31-7	31-4	31-4		2	31	31	31	•	117	27-4	27-6	27-6	•					5
6	319	36	34-7	35-1	x	14	31-3	31	31	x			30-4	31-4		66	27-5	27	27						6
7	194	35-1	<34-6	35-1		1037	31	30-5	30-6		4	30-7	30-5	30-7		94	26-6	<25-4	26-3						7
	2048	3.84		44-1		1164	3.39		34-5		34	3.49		34-3		309	5.06		26-7		26	2.96			
10	x 261	35-6	<34-4	35-5		16	31-4	<30-5	31-4				30-6	32		22	26-6	26-4	26-6						10
11	274	36-4	35-4	36-2		39	<32-7	32-1	32-2		1	32	<32	32		116	<27-7	26-4	26-6						11
12	461	36-1	35-5	37-7		40	32-6	32-1	32-2		5	<33	32	32		94	27-4	26-6	27						12
13	226	<38-7	37-4	37-7		33	32-6	32	32-6				32	33		64	27-3	27-4	26-4						13
14	73	38-1	37-4	37-4		27	32-6	32	32				31-4	32-1		23	26-7	<26-2	26-3						14
	1295	4.18		44		160	3.61		34-5		6	3.44		34-4		279	2.92		26-7						
17	176	38-5	37-3	38-4		27	32	<31-5	31-6		3	31-2	<31-1	31-2		128	26-2	<25-4	26-2						17
18	72	<39	34-1	38-3		28	<32-3	31-5	32-3		2	<31-6	31-1	31-6		77	27-1	26	25-4						18
19	88	38-7	38-1	38-6		59	32-2	31-6	32-2				31-5	31-6		58	26-7	26	26-7						19
20	124	38-4	37-4	37-4		18	32-2	31-7	32		2	31-6	31-6	31-6		85	<27-2	26-2	26-2						20
21	81	37-7	<37-2	37-4		43	32-2	32	32-2		•		31-6	32-6		23	27-2	26-6	27-2						21
	541	4.00		43-6		180	3.48		34-4		7	3.48		34-3		466	2.85		26-7						
24	93	37-6	36-4	36-4		113	34	<32-2	34		2	34	<32-4	34		27	27-3	<27	27-3						24
25	64	37-3	36-7	37-1		64	<34-5	33-6	33-6		3	<34-2	34	34		30	27-4	27-3	27-4						25
26	84	36-5	<36-3	36-3		92	34-5	34	34-5				34	34-6		54	27-3	27	27						26
27	82	37-7	37	37-5		61	34-5	33-4	33-6				33-2	34-4		61	27-4	27	27-4						27
28	64	<38-4	37-3	37-3		48	33-6	33-2	33-5				33	34-2		242	<27-7	27	27-7						28
	387	4.04		43-5		358	3.53		34-4		5	3.71		34-3		454	2.95		26-7						
31		HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY						HOLIDAY		31

EARN.		.400		$ 4.48		.200		$ 1.65		.225				$ 1.98						EARN.
DIV												.3?3 #2?1 SPLIT				#64 F.W. ?/1 SPLIT #TO TRADE REGULAR WA				DIV
	APR	-	OCT	-	APR	17675	OCT	-	APR	-	OCT	-	AUG	-	OCT	-					
	MAY	-	NOV	3?12	MAY	37663	NOV	16595	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	
	JUN	-	DEC	14898	JUN	47?08	DEC	22235	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	
	JUL	-	JAN	-	JUL	13215	JAN	10463	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	
	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	
	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	
	FEB	-	AUG	-	FEB	5?3E	AUG	2?0?	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	
	MAR	1799F	SEP	-	MAR	2??9	SEP	12??	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	
	APR	?05E	OCT	-	APR	-?6??	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	
	MAY	17591G	NOV	-	MAY	-?45?	NOV	-300	MAY	-	NOV	-	MAY	-16??	NOV	-	MAY	-	NOV	-	
	JUN	-	DEC	3472E	JUN	-9863	DEC	-	JUN	-100	DEC	-	JUN	-1??	DEC	-	JUN	-	DEC	-	
	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	



TEL & UTIL CORP					CERRO CORPORATION					CERTAIN-TEED PRODUCTS					CERTAIN-TEED PRODUCTS					CESSNA AIRCRAFT					
			THOUS SH OUTSTANDING 15240				TICKER SYMBOL CCP		THOUS SH OUTSTANDING 7749		TICKER SYMBOL CRT		THOUS SH OUTSTANDING 4165		CV PFD $2.90 A TICKER SYMBOL CRT A		THOUS SH OUTSTANDING 1013			TICKER SYMBOL CEA		THOUS SH OUTSTANDING 6752			
	VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE	
	85	>21-6	21-2	21-2		130	26-2	25-2	26		70	23-6	23	23-2		3	23-6	23-4	23-4		23	24⅜	>24-1	24-3	7/1
	15	21-4	>21	21		103	>26-3	25-3	25-3		80	23-4	>22-7	23-1				23	24		42	25-3	24-2	25-3	2
	89	21-4	21-1	21-4		225	25-6	>24-6	25-3		48	>24-6	23-5	24-6		11	>23-7	>23-4	23-7		24	>26-2	25-4	26	3
		HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY			4
		2.43		25-1			2.66		27-2			2.79		32-3			2.69		32-3			2.93		27-1	
	29	>21-7	21-1	21-1		151	>26-3	25-5	26		92	>25-4	24	24-3		34	>25-6	24-1	24-1		36	>27-2	26-2	26-7	7
	32	21-3	21	21-3		112	26-1	25-6	25-7		23	24-4	24-2	24-4		2	24-6	24-6	24-6		56	26-7	26-1	26-7	8
	43	21-2	21	21-1		80	26	25-5	25-7		30	24-5	24-4	24-5		2	24-1	24-1	24-1		26	26-2	25-6	25-7	9
	89	20-6	20-2	20-2		91	25-7	25-1	25-3		28	24-5	23-6	23-6		5	24-2	>23-6	23-6		43	25-5	25	25	10
	45	20-5	>20-1	20-1		76	25-3	>25-1	25-1		30	24	>23-5	24				23-4	25		36	25-3	>24-4	24-6	11
		2.39		24-7		510	2.66		36--		203	2.80		31-7		43	2.60		31-7		197	2.95		27-1	
	45	20-3	20	20-2		79	25-2	24-6	24-6		10	>24	23-6	23-7		3	>24-2	>23-4	23-4		25	24-5	23-6	24-1	12
	61	20-4	19-6	19-6		81	24-6	>24-2	24-6		46	24	>23	23				23-4	24		76	24-3	23-2	23-2	13
	48	20-4	>19-6	20-4		146	25-2	24-7	25-2		13	24	23-6	24		1	23-5	23-5	23-5		33	23-7	>23	23	14
	41	>20-7	20-1	20-5		77	>25-7	25-1	25-6		19	24	23-6	24		1	24-2	24-2	24-2		99	24-5	24	24-3	17
	61	20-3	19-7	20		93	25-6	24-6	24-7		22	23-7	23-6	23-6				23-6	24-2		80	>25-6	24-4	25-5	18
	276		2.42	24-5		476		3.02	35-7		110		2.81	31-4		5		2.84	31-4		313		2.86	27	
		HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY			21
	47	>20-3	19-7	19-7		66	>25	24-3	24-3		85	>23-7	23	23-2		1	>23-6	23-6	23-6		28	>26-4	25-5	25-5	22
	74	20	19.5	19.7		71	24-6	24-3	24-4		21	23-2	23	23		4	23	22-6	22-4	X	11	25-5	25-1	25-1	23
	36	19-7	19-5	19-7		42	24-4	24-2	24-2		8	22-7	22-5	22-5				22	23		23	25-5	25-2	25-4	24
	52	19.7	>19.4	19.4		125	24-1	>23.3	23.3		23	22.5	>21.3	21.3		4	23	>21-2	21-2		46	25.7	>24-1	24-1	25
	207		2.40	24-3		304		2.93	35-1		137		2.74	31		9		2.78	31		108		3.09	27	
	47	19.4	19	19		152	>23.5	22.5	22.5		40	21-4	20-1	20-1		2	21	20-6	20-6		19	24	23-2	23-2	26
	61	19.4	19	19-1		102	23-2	22-5	22-6		17	22-5	>20-1	20-4		4	21	>20-1	21		71	23-6	23	23-2	27
	49	19.7	>17-6	18.4		142	22.6	>22.3	22.4		27	21-5	20-2	21-5		3	21	21	21		87	25	>22-6	24-6	30
	72	19-2	18-5	19-2		204	22-7	22-5	22-6		31	22-6	21-7	22-4		2	22	22	22		58	26-1	24-4	26-1	31
	55	>20-4	19-4	20		247	22-7	22-5	22-7		63	>23-3	22-6	23-2		1	>22-5	22-5	22-5		71	>26-5	26	26-2	8/1
	322		2.36	24-1		647		2.79	34-2		178		2.76	30-5		12		2.70	30-5		306		3.20	27	
	84	>20-6	19-4	19-5		340	23-1	>22-5	23-1		41	23-3	22-7	23		6	23-5	>23	23		47	26-4	26	26-2	4
	35	19-5	>19-1	19-4		177	23-4	23	23-2		25	23-6	>22-7	23-4		2	23-5	23-5	23-5		31	26-2	25-4	25-4	5
	56	19-7	19-5	19-7		128	23-4	23-1	23-1		278	23-6	23	23-6		6	24	23-5	24		57	26-2	>25-4	26-2	6
	35	19-7	19-3	19-6		146	>23-5	23-2	23-5		33	>24-2	23-4	24-2		4	>24-6	23-4	24-4		45	26-2	26	26-2	7
	22	19-6	19-3	19-6		71	23-5	23-3	23-5		415	24	23-1	23-1				23	24-4		25	>26-5	25-3	26-3	8
	232		2.39	24		862		2.86	33-3		792		2.93	30-3		18		3.00	30-3		205		3.18	27	
	72	>19-5	19-1	19-3		63	>23-6	23-4	23-6		107	>23	22-6	22-6		2	23-4	>23-2	23-4		12	26-7	26-3	26-6	11
	54	19	18-6	18-6		107	23-5	23-3	23-3		131	22-5	22-4	22-5		9	>24	24	24		81	26-7	26	26	12
	28	19-1	18-5	19-1		87	23-3	>22-5	23-1		98	22-4	>21-2	21-3				22	24		35	26	>25	25-4	13
	74	19-1	>18-4	19		66	23-5	22-7	23-4		45	22-2	21-6	22-2				22	24		31	27	25-6	26-6	14
	28	19-2	18-5	18-6		128	23-5	23	23-1		145	23	22-4	23				22-4	24		34	>27-2	26-2	26-4	15
	246		2.34	23-6		451		2.69	34-5		526		2.74	30-1		5		2.95	30-2		193		3.29	27	
	50	19	>18.5	19		66	23-5	>23-1	23-5		35	23-6	>23-1	23-6				23	25		26	>27	26-5	26-7	18
	84	19-5	19-1	19-4		57	>23-6	23-5	23-6		162	>25	23-7	24-4				24	26		18	26-7	26-2	26-4	19
	513	19-5	19	19		85	23-6	23-3	23-3		21	24-4	24	24		1	>24-2	>24-2	24-2		12	26-6	>26-2	26-2	20
	100	19-5	19	19-5		33	23-4	23-3	23-3		9	24-3	24	24				23-2	26		27	26-7	26-4	26-4	21
	129	>20	19-4	19-6		62	23-5	23-3	23-5		23	24-7	23-6	24-7				23-4	24-6		13	27	26-6	27	22
	642		2.35	23--		305		2.76	31-6		230		2.87	29-7		1		3.11	30		96		3.41	27	
	35	>20	19-4	19--		46	23-5	23-3	23-4		20	>24-5	24	24		1	>24	24	24		14	>27	26-4	26-4	24
	34	19-6	19-2	19-3		44	23-4	23-2	23-2		9	23-6	23-2	23-2				23-1	25		28	26-7	>26	26-2	26
	24	19-4	>19-2	19-4		49	23-4	23-2	23-2		6	23-6	>23-2	23-6		1	24	>24	24		38	26-7	26-2	26-4	27
	26	19-5	19-4	19-5		212	23-7	>23-2	23-5		12	24-2	23-5	24-2				23-6	25-4		16	26-4	26-2	26-3	28
	38	19-7	19-4	19-6		426	>23-7	23-7	23-7		9	24-5	24-3	24-4				23-4	25-4		44	27	26-2	25-5	29
	157		2.37	23-2		800		2.87	31-2		56		2.93	29-5		2		3.06	29-7		160		3.18	27	
9/1	HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY				9/1
2	50	>19-6	19-4	19-6		141	>26-5	26	26-1		16	>24-7	24-5	24-6		1	24-4	24-4	24-4		40	27	>25-3	25-3	2
3	35	19.6	19.4	19.5		161	26-4	25-7	26		19	24-7	24-2	24-2		2	>25-2	25-2	25-2		26	26-7	26-5	26-5	3
4	60	19-6	19-3	19-6		112	25-3	24-2	24-4	X	14	24	>23-4	23-7	X	1	23-4	>23-4	23-4		31	27-1	26-4	26-7	4
5	50	19-4	>19-2	19-2		152	24-6	>24-1	24-4		13	24-2	23-5	23-5				23	24-4		43	>27-4	27	27-3	5
	195		2.39	23		566		2.97	30-6		62		2.89	29-3		4		2.85	28-5		140		3.26	27	
	64	19-4	19-2	19-4		76	24-3	24-1	24-2		18	23	22-5	22-6				22-7	24		33	>27-3	27-1	27-3	8
8	58	19-2	>18-6	18-7		122	24-7	24-1	24-7		35	23-4	>22-5	23-4				23	24		30	27-2	26-5	26-5	9
	121	>20	19-1	19-7		111	>26-1	25	25-6		52	24-7	23	24-6		3	>24	>23	24		19	27-2	26-4	27-2	10
	59	20	19-2	19-2	X	82	25-4	24-5	24-6		37	25-2	24-4	24-7				24	25-4		62	27	>26-3	26-7	11
	44	19-4	19-1	19-1		69	24-6	>23-5	23-6		28	>25-4	25	25-2				24-2	26		16	27	26-4	27	12
	348		2.33	22-4		460		3.00	30-2		170		3.01	29-2		3		3.09	29-4		160		3.25	27	
	56	19-2	19	19		81	>24-7	23-6	24-7		69	>27	>25-1	27		2	>26	26	26		68	26-6	>26	26-6	15
	55	19-2	19	19		114	24-5	23-4	23-5		105	27	26	26				25-2	26-4		127	27-5	26-4	27-5	16
	53	>19-4	19-1	19-2		68	23-7	23-5	23-6		18	26-4	26	26-2				25-6	27		27	>27-7	27-4	27-4	17
	25	19-2	19-1	19-2		47	23-7	23-5	23-5		20	26-7	25-7	26-7		1	25-5	>25-5	25-5		15	27-4	27	27	18
	45	19-2	>18-7	19		70	23-7	>23-4	23-5		1	26-5	26-5	26-5				26	27		40	27-4	27	27-2	19
	234		2.31	22-2		360		2.84	29-6		213		3.23	29-1		3		3.08	29-2		277		3.25	26-7	
22	52	>19	18-6	18-6		54	23-6	23-4	23-6		17	26-2	26	26-1				25-4	27		112	27-6	27-1	27-2	22
23	104	19	18-5	18-6		123	>23-7	23-4	22-6		193	>26-4	>25-4	25-6				25-7	26		25	>27-7	27-4	27-6	23
24	21	18-7	18-5	18-6		82	23-6	23-4	23-5		33	26-4	25-6	25-6		1	>25-5	26-5	25-5		54	27-6	27-2	27-3	24
25	51	18.6	18.4	18.4		115	23.0	23.4	23.4		43	25.2	26	26		3	25-4	>25-4	25-4		70	27-4	26-4	26-4	25
26	40	18-4	>18-2	18-3		35	23-4	>23-2	23-2		21	26-1	26	26				25-4	26-4		18	26-4	>25-6	25-6	26
	268		2.23	22		909		2.63	29-3		297		3.13	28-7		4		3.07	29-1		279		3.19	26-7	
29	76	18-3	17-7	17-7		105	23	22-6	22-6		19	25-4	24-6	24-6				24	25-4		62	26	25-4	25-7	29
30	55	18	17-5	17-5		71	23	22-6	22-7		15	24-6	24-5	24-6				24-2	25-4		22	25-6	25	25-2	30
	$ 1.29					$ 4.02					$ 1.63										$ 2.18				EARN
	.220	+ 11 STOCK				.400					.200					.225					.200				DIV
	OCT	-	APR	-		OCT	-	APR	-		OCT	-	APR	-		OCT	-	APR	-		OCT	-	APR	-	
	NOV	-	MAY	-		NOV	3732	MAY	-		NOV	16595	MAY	-		NOV	-	MAY	-		NOV	-	MAY	-	
	DEC	-	JUN	-		DEC	14898	JUN	-		DEC	22205	JUN	-		DEC	-	JUN	-		DEC	-	JUN	-	
	JAN	-	JUL	-		JAN	-	JUL	-		JAN	10420	JUL	-		JAN	-	JUL	-		JAN	-	JUL	-	
	FEB	-	AUG	-		FEB	-	AUG	-		FEB	-	AUG	-		FEB	-	AUG	-		FEB	-	AUG	-	
	MAR	-	SEP	-		MAR	-	SEP	-		MAR	-	SEP	-		MAR	-	SEP	-		MAR	-	SEP	-	
	AUG	-	FEB	-		AUG	-	FEB	-		AUG	2900	FEB	5000E		AUG	-	FEB	-		AUG	-	FEB	-	
	SEP	-	MAR	-		SEP	-	MAR	7045E		SEP	12000E	MAR	27000E		SEP	-	MAR	-		SEP	-	MAR	42000	
	OCT	195	APR	-		OCT	-	APR	-300		OCT	-	APR	44800		OCT	-	APR	-		OCT	-	APR	100	
	NOV	100	MAY	6400E		NOV	-	MAY	-		NOV	-300	MAY	-		NOV	-	MAY	-		NOV	-	MAY	-	
	DEC	-289	JUN	-		DEC	3472E	JUN	-		DEC	-	JUN	8000		DEC	1000E	JUN	-		DEC	-	JUN	200	
	JAN	-3000	JUL	266		JAN	-	JUL	39299		JAN	-	JUL	-200		JAN	-	JUL	-		JAN	-	JUL	-	

	CESSNA AIRCRAFT					CF + I STEEL CORP					CHAMPION INC					CHAMPION SPARK PLUG					CHARTER NEW YORK CORP				
	TICKER SYMBOL CFA					TICKER SYMBOL CIS					TICKER SYMBOL CHM					TICKER SYMBOL					TICKER SYMBOL CN				
	VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE		VOL	HIGH	LOW	CLOSE	
10/1	87	>25-1	>23-4	23-7		9	>22-2	22	22		70	12-2	11-6	12		26	24-4	23-4	23-4		31	47-2	47	47	10/1
2	49	24-1	23-5	24		11	22	>22	22		153	12-3	>11-6	12		98	24-2	>23-1	24		5	47	46-6	47	2
3	98	24	23-7	24				21-6	22		50	>12-4	11	12		75	>23-3	24-2	24-6		24	>47-6	>46-6	46-6	3
	165	.30		24-6		20	.27		24-2		223	.15		11-4		191	.30		28-3		60	.58		48-7	
6	117	24-1	>24	24		3	21-6	21-6	21-6		65	12-2	11-6	12-1		124	24-7	24-6	24-5		11	>47	46-4	47-4	6
7	64	24	24-2	24-6		7	>22	21-6	22		34	>12-3	12	12		35	25-4	>24-5	25-2		9	46-6	46-2	46-7	7
8	18	>25-2	25	25-2		2	21-6	21-6	21-6		25	12-1	11-7	11-7		40	25-5	25	25		15	46-6	46-2	46-2	8
9	70	25-2	24-5	25-2		9	22	21-6	21		63	11-7	>11-3	11-4		17	25-6	25-2	25-5		28	46-2	>45-6	46-2	9
10	15	25-2	24-4	24-4		7	21-6	>21-6	21		4	11-7	11-4	11-7		15	>25-6	25-2	25-2		31	46	46	46	10
	247	.31		26-0		24	.27		24-1		275	.14		11-3		235	.32		28-2		94	.58		48-6	
13	93	25-6	24-4	25-6		10	>22	21-6	21-6		168	12-6	>12	12-4		8	24-6	>25-4	25-4		17	47-4	>46-4	47-4	13
14	691	>26-3	25	26-2		6	21-7	21-6	21-7		159	13-3	12-7	12-7		33	26-3	25-7	26		105	48-2	47-6	48-1	14
15	157	26-2	25-6	26		5	21-6	21-4	21-6		72	13-2	12-6	13-1		53	26-7	25-5	26-2		21	48-2	46-6	47-1	15
16	61	25-5	>24-4	25		8	21-3	20-6	20-6		161	>14-1	13-1	13-2		250	>27-6	26-1	27-4		51	48-7	47-4	48-7	16
17	47	25-3	25-1	25-3		20	20	>19-5	19-6		54	13-3	12	12		26	27-4	27	27-1		11	>49-2	48-3	48-1	17
	981	.30		24-4		49	.29		23-7		585	.15		13-3		370	.33		28-1		205	.58		48-6	
20	60	25-2	24-2	24-4		8	20	19-5	19-6		60	13-6	13	13-2		19	27-3	27-1	27-1		18	48-2	47-6	47-6	20
21	63	>25-4	>24-1	24-4		16	20-2	>19-6	20-2		178	13-2	>12-7	12-7		66	27-6	>27	27-5		39	49-1	>47-4	48-6	21
22	64	25-4	24-7	25-2		3	20	20	20		226	13-7	13	13-5		68	28-1	27-5	28-1		60	49-3	48-2	49-1	22
23	72	25-2	24-4	25		8	21-3	20-2	20-4		865	16-2	14	16-7		212	>29	28	29		20	49-4	49-1	49-1	23
24	45	25-1	24-4	25-1		6	>20-4	20-3	20-4		753	>16-7	16	16-7		68	29	28-1	28-4		24	>49-6	49-2	49-4	24
	381	.29		24-7		41	.24		23-5		1472	.17		13-6		407	.34		28-1		161	.57		48-7	
27	97	24-7	24-5	24-6		2	21-6	20-4	20-4		331	>16	15-3	15-4		12	>28-2	27-6	28		11	50	49-2	50	27
28	x 21	>25	24-3	24-5		11	21-4	>21-4	21-4		273	15-7	15-4	15-6		95	28	27-4	27-4		32	50	>48-4	48-6	28
29	45	24-7	23-7	24-1		17	>22-1	21-5	22		103	15-5	14-4	15		88	28	27-3	27-4		22	49-2	48-6	49-2	29
30	14	24-2	23-7	24-1		11	22	21-4	22		177	15-1	>14-3	14-3		24	27-5	27-3	27-3		18	49-7	49	49-7	30
31	27	24-2	>23-7	24-2		7	22	21-5	21-7		170	15-1	14-5	15		19	27-7	>27-1	27-4		140	>50-4	50	50-4	31
	144	.31		24-7		48	.26		23-4		1275	.17		13-4		207	.32		28-1		223	.59		48-4	
11/3	67	24-3	24-6	24-7		9	22-2	22	22		95	15-3	14-7	15-2		21	27-4	27-1	27-1		44	52-5	51-4	52-1	11/3
4	16	24	23-6	24		3	21-7	21-7	21-7		130	15-7	>14-6	15-1		43	>28	>27	28		24	>53	52-2	53	4
5	154	24-2	>23-5	24-2		15	22	>21-4	22		177	15-6	15-1	15-3		19	27-7	27-4	27-4		86	52-4	51	51-2	5
6	37	24-2	24	24		17	22-4	22	22-2		182	15-7	15-3	15-7		98	28	27-4	27-6		97	50-2	50	50	6
7	43	>24-6	24	24-1		7	>23	22-1	23		486	>16-7	16	16-5		44	28	27-6	27-6		100	50-2	>49-6	50-2	7
	377	.28		24-1		61	.25		23-7		1010	.19		13-7		205	.32		28-1		351	.58		48-7	
10	36	24-1	23-7	23-7		5	>23	23	23		122	>16-6	16-1	16-2		19	>28-7	27-6	27-5		18	51-4	>49-6	51-2	10
11	27	24-1	23-6	23-6		11	22	22-5	23		174	16-4	15-6	15-6		15	28-7	28-3	28-7		30	>51-6	50-6	51-2	11
12	81	24	>23-4	23-7		4	22-7	22-5	22-7		189	16-4	16	16-1		31	28-4	28	28		13	51	50-7	50-7	12
13	105	24-5	24	24-4		7	23	22-5	22-5		197	16-2	15-6	15-7		110	28	>27-4	27-5		29	51	50-6	50-6	13
14	43	>24-6	24-2	24-5		4	22-6	>22-4	22-4		141	15-6	>15-1	15-2		66	28-4	27-6	27-6		21	51-2	50-6	51	14
	842	.29		24		36	.27		23-3		776	.19		13-6		231	.33		29		111	.60		49	
17	282	>26	24-6	24-7		1	22-4	22-4	22-4		88	>15-4	15	15-1		46	28-4	28	28-2		10	>51-3	50-4	50-7	17
18	25	24	23-5	23-7		6	>22-7	22	22		88	15-1	14-6	15		47	>28-6	28-1	28-1		19	50-7	50	50-6	18
19	30	24-2	24	24		16	21-6	20-4	20-4		111	15-4	15	15-2		122	28-4	27-6	28		11	50-6	50	50-6	19
20	47	24 1	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]		24	50-4	49-6	49-6	20
21	71	24	>23-1	23-4		7	19-6	>19-4	19-6		53	14-6	>14-2	14-5		36	27-4	>27-3	27-3		12	49-6	>49	49	21
	349	.29		24-1		23	.24		23-1		949	.17		13-7		256	.33		28		78	.60		49	
24	38	23-4	22-6	22-7		4	19-3	>19	19		74	14-3	14-1	14-1		143	>28	27-4	27-6		25	48-4	48	48-4	24
25	59	23-2	>22-4	23-1		37	>20	19-3	20		81	>14-6	14-1	14-3		43	27-6	27-3	27-3		14	>49	>47-2	47-7	25
26	10	23-6	23-3	23-6				19-6	20-2		60	14-2	>13-6	14-2	x	21	27-4	>27	27-3		13	47-6	47-4	47-5	26
27		HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY				27
28	20	>23-7	23-5	23-6		4	20	20	20		56	14-5	14	14-2		39	28	27-2	27-2		11	48-2	47-5	48-2	28
	177	.29		24-5		45	.26		22-7		771	.18		13-7		246	.34		28		67	.60		48-7	
12/1	37	>24	23-4	23-6		1	>20-3	20-3	20-3		67	>14-6	14-2	14-3		79	28	27	27	x	17	47-6	47-4	47-6	12/1
2	15	23-7	23-4	23-6		1	20-2	20	20-2		67	14-5	14	14-5		35	27-4	>26-6	27-4		23	47-6	47-1	47-1	2
3	43	23-6	23-5	23-5		12	20	19-5	20		66	14-5	13-7	13-7		25	27-4	27	27-2		13	47-6	>47-1	47-5	3
4	30	23-5	>23-4	23-5		7	20-2	>19-5	20-2		104	14-3	13-7	14 1		50	27-6	27	27-6		23	>48-2	47-1	48-2	4
5	140	22-5	22	22-5				20-2	20-6		95	14	>13-2	13-4		28	>28-2	27-5	28-2		17	48	47-6	48	5
	274	.28		23-4		27	.25		22-6		719	.19		13-7		247	.35		27-7		93	.61		48-7	
8	16	>22-5	22-1	22-1	x	2	19-6	>19-4	19-6		93	>13-4	13-4	13-5		56	28	>27	27-1		18	>47-4	47	47-4	8
9	30	22-3	21-6	21-6		7	>20	19-5	20		82	13-3	12-5	12-7		32	24-4	27-3	28		37	47	46-2	46-2	9
10	21	21-5	>21-1	21-2		6	20	19-5	20		76	13-2	>12-3	12-5		47	>24-5	27-7	28		30	46	>45-1	46	10
11	21	21-7	21-3	21-7		4	20	20	20		76	13-2	12-6	13-1		48	28-5	28-2	28-4		8	46-2	46-2	46-2	11
12	12	22	21-6	21-7		7	20	19-5	19-5		62	13-1	13	13-1		41	28-4	28-4	28-4		19	46-5	46-1	46-1	12
	100	.23		21-7		26	.26		22-4		375	.17		13-6		224	.36		28		112	.59		48-5	
15	34	22	21-6	22		4	20	19-7	19-7		76	13	12-3	12-7		113	>29	28-4	28-5		14	>46-5	45-5	45-5	15
16	28	22-1	21-6	21-6		15	20	>19-4	19-7		95	12-7	12-2	12-2		22	28-4	28	28		17	45	>44-6	45	16
17	14	22-2	>21-5	22		3	19-5	19-5	19-5		65	12-5	>12-1	12-2		1040	28-4	>26	26-6		54	46	45-2	45-2	17
18	34	22-2	21-6	21-7		6	20	19-5	19-7		81	>13-4	12-2	13		90	27-5	26-5	27-3		22	46-2	45	45-4	18
19	48	>23	22-2	23		6	>20-1	19-7	20-1		64	13-3	12-6	13-1		25	28-4	27-5	28-4		33	46-2	45-4	46	19
	170	.28		24		32	.25		22-3		364	.17		13-1		1290	.35		27-7		140	.58		48-4	
22	41	23-5	23-2	23-3		2	>20-3	20	20		1072	>15-1	>13-1	13-4		149	>29-1	28-3	29-1		41	46-2	>45	45-4	22
23	47	23-3	>22-5	23-1		20	20	>19-4	19-7		324	13-7	13-5	13-7		22	29	28-6	29		22	46	45-4	46	23
24	28	>23-7	23-4	23-5		4	20	19-7	20		334	14-1	13-6	14-1		31	28-6	28-1	28-4		46	46-7	46	46-7	24
25		HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY					HOLIDAY				25
26	16	23-7	23-4	23-7		2	20-1	20	20-1		95	14-1	13-7	14-1		21	28-4	>28	28		24	>47-2	46	47-2	26
	127	.30		24-7		29	.26		23-2		2015	.18		13-6		263	.35		27-7		133	.59		48-3	
29	14	24	23-4	23-4		6	20-4	19-6	20-4		124	14-1	13-4	13-6		42	28-4	27-5	28		27	47-2	46	47-2	29
30	12	24	23-5	23-6		16	20-1	19-7	20		129	14	13-2	13-7		61	28	27	27-5		28	47-3	46-4	47-3	30
31	30	24	23-3	23-4		20	20	19-5	19-7		132	14-1	13-6	13-6		43	28-7	28	28-4		10	47-4	47-2	47-4	31
	76					42					385					146					65				
EARN				$ 2.25					$ 2.30					$ .48					$ 2.21					$ 4.36	EARN
DIV	.200					.400										.300					.500				DIV
	* 5% STOCK																								
SHORT INT	JAN	-	JUL	-		JAN	4000	JUL	-		JAN	23261	JUL	30345		JAN	-	JUL	-		JAN	-	JUL	-	SHORT INT
	FEB	-	AUG	-		FEB	23405	AUG	-		FEB	18239	AUG	27393		FEB	-	AUG	-		FEB	-	AUG	-	
	MAR	-	SEP	-		MAR	6440	SEP	-		MAR	22381	SEP	27653		MAR	-	SEP	-		MAR	-	SEP	-	
	APR	-	OCT	-		APR	-	OCT	-		APR	21265	OCT	-		APR	-	OCT	-		APR	-	OCT	-	
	MAY	-	NOV	-		MAY	-	NOV	-		MAY	22415	NOV	-		MAY	-	NOV	-		MAY	-	NOV	-	
	JUN	-	DEC	-		JUN	-	DEC	-		JUN	28078	DEC	22265		JUN	-	DEC	-		JUN	-	DEC	-	
INSIDER TRANS	NOV	-	MAY	-		NOV	-	MAY	-		NOV	-	MAY	-		NOV	8000	MAY	5900		NOV	-	MAY	-	INSIDER TRANS
	DEC	-	JUN	200		DEC	-	JUN	+4000		DEC	-	JUN	-		DEC	100	JUN	-		DEC	-	JUN	-	
	JAN	-	JUL	-		JAN	-	JUL	+1270		JAN	-	JUL	-		JAN	-	JUL	-		JAN	100	JUL	-	
	FEB	-	AUG	-		FEB	-	AUG	-		FEB	-	AUG	-		FEB	19866	AUG	-		FEB	-	AUG	-	
	MAR	420 G	SEP	-		MAR	-	SEP	-		MAR	-	SEP	-		MAR	-	SEP	-		MAR	-	SEP	-	
	APR	100	OCT	-		APR	-	OCT	-		APR	9803	OCT	1000		APR	-	OCT	-		APR	100	OCT	-	

REVISED 4TH QTR 1961

	DECTON, DICKINSON & CO				BEECH AIRCRAFT CORP				BEECH CREEK RR				BELCO PETROLEUM CORP				WELDING HEMINWAY CO			
	TICKER SYMBOL BDX	THOUS SH OUTSTANDING 10705			TICKER SYMBOL BCR	THOUS SH OUTSTANDING 4528			TICKER SYMBOL BCH	THOUS SH OUTSTANDING 120			TICKER SYMBOL BPC	THOUS SH OUTSTANDING 6461			TICKER SYMBOL BHY	THOUS SH OUTSTANDING 1235		
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE
10/1	66	57	56-1	56-1	88	45-6	45-1	45-1			33-6	34-6	16	59-4	59	59-2	7	36-2	35-7	36-2
2		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
3	156	58-4	56-6	58-3	40	45-7	44-6	45-2	20	34-6	34-6	34-6	258	59	53-4	53-4	13	36-3	35-6	35-6
4	263	60	58-6	60	47	45-2	44-4	44-6			33-6	34-6	342	54-4	53-6	53-7	12	36-2	35-6	35-6
	485	6.15		61-2	175	4.77		39-6	20	3.66		33-7	616	5.63		52-4	32	3.77		27-6
7	79	▫60	58-7	59-2	66	45-7	45	45-3	10	35	▫35	35	309	53-1	▫51-3	52-4	7	▫36-5	35-6	36-5
8	81	59-7	▫58-4	59-2	41	46-7	45-4	46-7			34	36-4	166	52-4	51-7	52-3	20	36-4	35-6	36-4
9		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
10	101	60	59	59-1	41	▫47	45-5	45-6	60	▫36-4	35	35-4	244	52-2	51-5	51-5	9	36-2	▫35-4	35-6
11	17	59-2	58-6	58-6	20	45-4	▫44-5	44-5			34-4	38	101	▫53-4	51-7	52-2	14	36	35-4	36
	278	6.23		61-3	168	4.82		40-3	70	3.74		34	820	5.44		52-7	50	3.76		28-7
14	56	60	59	59-5	14	44-7	▫44-2	44-7			34	35-4	89	52-6	▫52-2	52-2	31	▫36-2	35	35
15	32	59-4	▫58-7	59-2	16	45-4	45	45-1			34-2	36-4	58	52-7	52-2	52-2	18	35-4	34-4	34-6
16		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
17	82	60	59	59-3	39	▫46	45-1	45-7			34-2	36-4	86	▫54-7	53-2	54-7	50	35-3	▫34	34-6
18	96	▫61-6	59-4	61-1	13	45-6	45-6	45-6			34-2	36-4	141	54-7	54-1	54-3	26	35-7	35	35-7
	266	6.19		61-3	82	4.78		40-7					374	5.72		53-3	125	3.62		26-6
21	74	▫61	60	60-2	42	46	45-6	46			34-2	36-4	17	▫54-3	53-7	54-1	17	▫36-6	36-2	36-6
22	97	60-3	59-3	59-7	67	▫47	46	46-4			34-2	36-4	787	54-3	53-4	54	5	36-4	36	36
23		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
24	81	60-1	▫58-4	59	135	45-7	▫45	45-5			34-2	36-4	127	54	▫53-2	53-6	23	36	▫34-6	36
25	34	59-4	58-6	59	100	46	45	45-3	10	▫34-4	▫34-4	34-4	259	54	53-2	53-4	4	35-7	35-4	35-7
	246	6.17		61-3	344	4.77		41-3	10	3.82		34-2	1190	5.62		53-6	49	3.76		29-2
28	27	59-7	58-6	59-7	25	▫45-5	44-4	44-4			34-2	36	93	▫53-6	52	52	6	35-5	▫35-2	35-2
29	56	60	▫58-4	58-7	66	45-4	44-6	44-6			34-2	36	249	52	50-4	50-4	31	36	35-4	35-4
30		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
31	118	59-7	58-6	59-7	57	45-3	44	44-3			35-2	36	46	52-2	51	51-4	45	37-7	35-7	37-6
11/1	82	▫60-3	60	60-3	43	44-1	▫42-4	42-4			34-2	36	71	51-2	▫49-6	49-6	47	▫38-1	36-2	36-2
	283	6.29		61-3	191	4.66		41-7					459	5.41		51-7	129	3.96		29-7
4	38	60-4	59-6	59-6	21	43-7	▫42-5	43-7			34-2	36	33	50	▫49-3	50	50	36	▫37	38
5		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
6	48	61	59-6	60	69	▫45-4	44-3	44-5			34-2	36	52	▫50-3	49-7	49-7	21	38-1	37-6	38
7	83	62-4	▫59-1	62	30	44-6	43-6	44-1			34-2	36	39	50-1	49-5	50-1	25	38-6	38	38-6
8	44	▫64-6	62-4	64	27	44-4	43-6	44			34-2	36	40	50-1	49-5	50-1	32	▫40	38-4	40
	213	6.52		61-3	147	4.64		42-1					164	5.27		54	126	4.08		30-3
11		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
12	41	67-6	64-7	65-4	35	▫44-4	44-1	44-3			34-2	36	48	▫50-1	49-5	49-5	35	▫41-2	40-2	40-2
13	14	65-2	▫64	65-1	45	44-1	43-2	44-1			34-2	36	22	49-4	49-1	49-2	24	40-5	▫39-6	40-3
14	29	65-4	64	65	21	43-7	▫42-6	42-6			34-2	36	98	49-7	▫49	49	9	40-5	39-7	40-1
15	56	▫68-4	65-4	68	30	43-4	42-7	43			34-2	36	44	49-3	49	49	5	40	39-4	40
	140	6.74		61-3	131	4.44		42-3					212	5.08		54	73	4.16		31-1
18	22	68-4	66-6	67-4	27	43-2	▫42-4	43			34-2	36	362	▫50-2	▫48-7	49	8	40-2	▫40	40-2
19	57	68-7	67-4	68-3	16	44	43-3	44			34-2	36	160	50-1	49	49-7	7	40-5	40	40-4
20		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
21	90	▫70	67-6	67-6	72	44-4	43-7	44-2			34-2	36	57	49-7	49-2	49-4	22	41-2	40-6	41-1
22	71	67	▫65-4	66-3	32	▫44-6	43-7	44-1			34-2	36	888	49-6	48-7	49-2	28	▫43-4	41-1	43-4
	240	7.02		61-4	147	4.58		42-5					1467	5.13		53-7	65	4.26		31-5
25	46	68-6	▫66-6	68-5	11	44	▫43-5	43-5			34-2	36	60	▫49-7	49-4	49-5	13	43-1	▫42	42-6
26	45	▫69-1	68	68	46	▫45	43-7	44-6			34-2	36	61	49-6	49-3	49-3	12	▫43-2	43	43
27	30	69-4	68	68-3	18	44-4	44-1	44-1			34-2	36	147	49-4	▫49	49-4	6	42-6	42-2	42-3
28		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
29	29	▫69-7	69	69-3	11	44-3	44-1	44-1			34-2	36	30	49-7	49-1	49-2	5	42-6	42-2	42-4
	150	7.11		61-6	86	4.52		42-7					298	5.04		53-6	36	4.35		32-2
3	24	69-4	68-5	68-6	59	45	44-4	45			34-2	36	37	49-4	49-1	49-2	8	43	42-4	42-4
4		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
5	100	70-4	69-4	70-4	77	45-6	44-6	45-6			34-2	36	2	49-2	▫45-4	47-7	10	43	▫42-1	42-1
6	24	▫73-4	71	73	75	▫46-4	45-2	46-4			34-2	36	155	48-4	47-4	48-4	7	▫43-2	42-3	43
	201	7.21		61-6	220	4.68		43-1					294	4.90		53-4	35	4.31		32-7
9	66	▫73-6	72-4	72-4	3	46-4	46-3	46-3			33-6	36	79	▫48-4	45-4	45-6	5	▫42-7	42-5	42-7
10	64	72-4	71-4	71-4	81	▫46-6	46	46	20	34-2	▫34-2	34-2	243	45-7	[illegible]	45-3	3	42-5	42-3	42-4
11		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
12	38	72	70-3	70-6	122	45-5	44-6	44-6	50	34-2	34-2	34-2	119	45-5	43-2	45-5	4	42-4	42	42
13	39	72	▫70-1	70-1	23	44-6	▫44-4	44-4	50	▫34-4	34-4	34-4	231	47	44-6	46-7	3	42	▫41-6	41-6
	207	7.24		61-7	229	4.58		43-3	120	3.51		34-6	672	4.67		53-2	15	4.30		33-4
16	12	70-7	70	70-7	16	▫44-5	44	44			34-2	36	226	49-7	▫46-6	49-7	9	▫41-3	40-4	40-4
17	20	▫71	70	71	28	44	43-4	44			34-2	36	213	▫50	48-5	49-2	16	40	39-4	39-6
18		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
19	29	71	70	70	89	44	43-4	43-4			34-2	36	147	49	47-2	48-5	36	39-3	▫37-6	38-6
20	16	70-4	▫69-2	69-2	26	43-6	▫43	43-6	10	▫35-4	▫35-4	35-4	59	49-6	47-6	48-2	10	38-4	37-6	38
	77	7.18		62	159	4.46		43-5	10	3.69		34-7	645	4.99		53-1	71	3.97		34
23	44	▫69-5	66-5	66-7	44	▫43-5	41-4	41-4			34-2	36	203	▫48-2	▫45-2	46-4	32	38-4	▫37	38-4
24	7	66-5	66-2	66-2	130	42-4	40-6	41-1			34-2	36	52	46-6	45-5	46-1	30	▫39	37-2	37-4
25		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY		
26	21	67-1	▫66	67	20	41-3	▫40-4	40-4			34-2	36	47	47	46-1	46-1	26	37-6	37-1	37-3
27	23	67-1	66-4	66-6	21	41-1	40-6	40-6			34-2	36	20	47	45-6	46-6	22	38	37-4	37-7
	95	7.02		62	215	4.24		43-6					322	4.83		53	110	3.92		34-4
30	61	67-5	67	67-2	24	40-7	40	40			34-2	36	62	46-4	44-4	44-4	29	37-4	36-2	36-2
31	44	67-4	66-5	67	23	40-2	39-3	40			34-2	36	127	45-6	44	44-3	29	36-7	35-7	36-4
EARN				$ 1.30				$ 1.72								$ 1.52				$ 1.33
DIV		.150				.180				.500				.250				.175		
JAN	JAN	104608	JUL	60250	JAN	-	JUL	-	JAN	-	JUL	-	JAN	24005	JUL	-	JAN	-	JUL	-
FEB	FEB	88513	AUG	31325	FEB	-	AUG	-	FEB	-	AUG	-	FEB	23888	AUG	-	FEB	-	AUG	-
MAR	MAR	95924	SEP	19876	MAR	-	SEP	13537	MAR	-	SEP	-	MAR	31460	SEP	-	MAR	-	SEP	-
APR	APR	69763	OCT	28463	APR	-	OCT	21363	APR	-	OCT	-	APR	17844	OCT	-	APR	-	OCT	-
MAY	MAY	69088	NOV	43070	MAY	-	NOV	11321	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-
JUN	JUN	63571	DEC	41195	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-
INT	NOV	-	MAY	500L	NOV	104E	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-3200	NOV	229F	MAY	1910
INT	DEC	-20300	JUN	-16000	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-11340	JUN	-4100	DEC	59L	JUN	-
INT	JAN	-4634L	JUL	-500	JAN	-	JUL	2463G	JAN	-	JUL	-	JAN	-500	JUL	-	JAN	883L	JUL	-68L
INT	FEB	6500	AUG	-	FEB	-	AUG	-143L	FEB	-	AUG	-	FEB	-1000	AUG	-1300	FEB	400	AUG	-
INT	MAR	-37100	SEP	-5500	MAR	432E	SEP	703E	MAR	-	SEP	-	MAR	5150	SEP	-1100	MAR	-	SEP	-900
INT	APR	-6209F	OCT	-1000	APR	-	OCT	-	APR	-	OCT	-	APR	-2315	OCT	-	APR	-	OCT	215E

ISL INDEX 4TH QTR 1968

39

	E F HUTTON & CO	BEECH AIRCRAFT CORP	BEECH CREEK RR	BELCO PETROLEUM CORP	BELDING HEMINWAY CO
	TICKER SYMBOL — THOUS SH OUTSTAND	TICKER SYMBOL — THOUS SH OUTSTAND	TICKER SYMBOL — THOUS SH OUTSTAND	TICKER SYMBOL — THOUS SH OUTSTAND	TICKER SYMBOL — THOUS SH OUTSTAND
	VOL HIGH LOW CLOSE	VOL HIGH LOW CLOSE	VOL HIGH LOW CLOSE	VOL HIGH LOW CLOSE	VOL HIGH LOW CLOSE
1/1	HOLIDAY	HOLIDAY	HOLIDAY	HOLIDAY	HOLIDAY
2		14 39-7 39-3 39-3	34-4 36	59 45-7 43-6 43-6	36 38-7 36-6 38-7
3		28 41-3 39-4 41-1	34-4 36	160 44-7 43-6 44-2	11 38-7 38-6 38-6
6		42 4.15 43-5		219 4.62 52-5	47 4.10 34-7
7		79 <41-4 40-5 40-5	34-2 36	203 45-2 <43 43-2	5 38-4 38-1 38-1
8		24 40-2 39-1 39-1	34-4 36	61 44-4 43-2 44-4	11 38 37 37
9		18 40-2 <38-5 38-5	34-4 36	166 44-7 44-2 44-2	16 37-3 <36 36
10		35 40-5 37 40-5	34-4 36	136 45-4 44-5 44-5	23 37-2 36-1 37-2
		31 41 39-7 40-4	34-4 36	368 <46-3 44-7 46	20 <38-6 37-6 38-6 10
13		137 4.34 43-5		934 4.11 52-2	75 4.02 35-2
14		47 <40-5 40 40	34-2 36	26 46-5 <45-1 45-7	14 <39-6 <38 38 13
15		96 39-6 <39 39	34-2 36	46 46-2 45-5 46	32 39 38-2 39 14
16		5 39-6 39-2 39-3	35-2 36	221 <48-3 45-5 48-3	18 39-2 39 39-2 15
17		12 39-7 39-4 39-6	34-2 36	151 48-2 47-2 47-6	18 39-5 39 39-1 16
		85 39-7 39-5 39-7	34-2 36	68 48-2 47-1 48	11 39-5 39 39-5 17
		245 4.24 43-4		512 5.09 52	93 4.20 39-9
20		X 19 40-4 39-6 40-2	34-2 36	9 48 47-1 47-1	• 11 27 <26-4 27 20
21		953 <40-6 39-4 40	34-2 36	70 47 45-5 45-5	18 28-2 27-3 28 21
22		36 40-2 39-3 39-3	34-2 35	63 46-7 <46-6 46-6	66 30-5 28-5 30-5 22
24		14 39-7 <39-2 39-4	34-2 36	78 <48-3 46-6 47-5	67 <31-2 30 30 23
		19 39-7 39-2 39-4	34-2 36	48 48-1 47-3 48	22 30 29-6 30 24
27		1041 4.20 43-3		268 5.07 51-6	154 3.19 29-2
29		24 <40-3 39-4 39-5	34-2 36	22 48 47-5 47-5	24 <30-4 29-2 29-4 27
29		52 39-7 38 38	34-2 36	69 <43-2 47-2 47-4	38 30-2 29-1 30 28
30		18 38-5 38-1 38-3	34-2 36	92 48 47-2 47-2	9 30 29-6 30 29
31		23 39 38-2 38-5	34-2 36	151 47-4 46-4 46-6	15 30 29-6 29-6 30
		72 38-2 <37-2 37-2	34-2 36	109 46-4 <45 45	27 29-2 <28-3 28-3 31
		109 4.10 42-5		443 4.96 51-4	112 3.58 24-4
2/3		32 37-2 36-6 36-6	34 35-4	117 45-2 <44-2 44-6	37 30-3 <28-7 30-3 2/3
4		33 36-2 35-4 35-6	34 35-4	88 45-4 44-4 45-2	35 <30-6 30-2 30-4 4
5		731 36 <34-4 36	30 <34 <34 34	92 <45-6 44-7 45-4	14 30-4 30 30-2 5
6		264 39 36 39	34 35-4	114 45-6 45-1 45-4	17 30-1 29-4 30-1 6
7		30 <40-3 38-2 38-2	34 35-4	357 45-6 45-1 45-4	14 30 29-5 29-6 7
		1090 4.12 42-3	30 3.75 35-3	768 4.81 51-2	117 4.13 24-6
10	HOLIDAY	HOLIDAY	HOLIDAY	HOLIDAY	HOLIDAY 10
11		34 39 <36-2 38-2	34 35-4	172 <46-6 <45-4 46-6	17 <29-7 29-2 29-5 11
12		11 39 38-5 39	34 35-4	63 46-5 46-2 46-2	12 29-5 29 29 12
13		22 40 39 39-6	34 35-4	62 46-4 46 46-1	22 28-5 <28-3 28-3 13
14		36 <40-1 39-6 40	34 35-4	158 46-2 45-4 45-4	7 28-7 28-6 28-7 14
17		103 4.17 42-4		455 4.84 51	58 2.38 25
18		49 <40-3 39-6 40	90 <34 <34 34	171 <44-4 42-6 42-6	12 <28-5 27-4 27-4 17
19		30 39-6 37-4 37-4	32-4 35-4	167 41 40-1 40-2	20 27-2 26-4 27 18
20		11 38 37-4 37-6	32-4 35-4	94 40-2 39-4 39-5	6 27 26-4 26-1 19
21	HOLIDAY	44 37-4 <37 37-4	32-4 35-4	100 39-4 39-2 39-2	29 27-7 26-5 26-5
		HOLIDAY	HOLIDAY	HOLIDAY	HOLIDAY 21
24		13 <37-4 36-6 36-6	20 <34 32-6 32-6	176 <38 35-6 36-1	X 25 <26-5 25-4 25-6 24
25		17 36-7 <36 36-2	32-4 35-4	132 36-7 35-2 35-3	8 25-7 25-4 25-4 25
26		28 36-4 36 36-3	30 32-5 <32-5 32-5	83 35-5 35 35-4	6 25-4 <25 25 26
27		20 36-6 36 36-4	32-4 34	81 35-2 <33-5 34-2	21 26-4 25-2 26-4 27
28		10 36-3 36 36	32-4 34	168 35-2 33-6 34-5	6 26-2 25-7 25-7 28
3/3		88 4.04 42-2	50 3.77 35-3	640 3.79 49-7	66 2.93 25-3
4		14 36-1 35-3 36	32-4 34	54 35-2 <34-4 35-2	1 26 26 26 3/3
5		21 36-1 35-4 36	32-4 34	74 36 34-6 36	7 26-2 26 26-1 4
6		5 <36-3 36 36-3	32-4 34	84 <37-4 36-4 36-5	7 <26-4 26 26 5
7		16 36 35-2 35-2	32-4 34	25 36-3 35-7 36-2	9 26-2 26 26-2 6
		21 35-4 <35 35-4	32-4 34	30 36-4 35-1 36-2	8 26 <25-4 25-5 7
10		77 3.86 42		267 3.97 49-3	32 2.67 25-5
11		54 36-3 35-4 36-3	10 <32 <32 32	37 35-7 35 35-4	7 25-6 25-4 25-6 10
12		2 36-3 36-3 36-3	30 34	47 35-2 34-6 34-7	13 <26-1 25-6 25-6 11
13		29 <36-6 36 36-2	30 33-4	38 36-1 <34-5 36-1	7 25-6 25-4 25-4 12
14	• 42 43-2	23 36-1 35 35	30 33-4	43 36-7 35 36-6	13 26 <25-1 25-6 13
		38 35 <34-2 34-6	30 33-4	95 <37-6 37 37-1	6 25-6 25-4 25-4 14
17	2 43-2 <43 43-2	146 3.86 41-6	10 3.69 35-3	260 4.05 49	46 2.84 25-6
18	42-4 43-2	207 34-7 34-1 34-6	30 33-4	108 <37-2 36 36-6	9 <25-4 25-1 25-2 17
19	42-4 43-4	55 34-6 34 34	30 33-4	45 37 35-2 37	10 25-3 25 25 18
20	42-3 43-2	27 <35-3 <33-6 35-2	30 33-4	175 37 35 36-3	35 24-6 <23-5 24 19
21	1 <43-3 43-3 43-3	21 35-2 34-4 35	30 33-4	47 36-2 <35-2 35-4	26 24-7 24 24-7 20
	3 4.70	7 34-6 34-3 34-5	30 33-4	49 37-2 35-2 37-2	19 25-4 24-7 24-7 21
24	42-6 43	317 3.80 41-4		422 3.86 48-3	99 2.70 25-7
25	3 44 <43-6 43-7	9 34-6 34-3 34-6	30 33-4	34 37-6 36-2 36-2	13 <25-4 24-6 25-1 24
26	3 44-4 43-7 44-4	85 <35-5 34-3 35-3	110 <30-4 <30-4 30-4	132 37-1 <35-6 36	12 25-3 24-6 25 25
27	6 45-1 44-6 45-1	12 35-2 34-6 34-6	30 33-4	22 36-6 36-1 36-4	4 25 24-6 24-6 26
28	5 <45-3 45 45	27 34-5 <34 34	30 33-4	27 37-3 36-4 37	23 25-1 <24-2 24-7 27
	17 4.85	54 35-2 34-2 34-6	30 33-4	151 <39-6 37-2 38-4	16 25 24-7 25 28
31	HOLIDAY	187 3.65 41-2	110 3.60 35-2	366 3.97 47-5	68 2.67 25-7
		HOLIDAY	HOLIDAY	HOLIDAY	HOLIDAY 31
EARN					
DIV	*NEW FOR 3/2 SPLIT	.188 $ 1.68		$ 1.63	.150 $ 1.39 EARN DIV
	APR - OCT -	APR - OCT 21363	APR - OCT -	APR 17844 OCT -	APR - OCT -
	MAY - NOV -	MAY - NOV 11321	MAY - NOV -	MAY - NOV -	MAY - NOV -
	JUN - DEC -	JUN - DEC -	JUN - DEC -	JUN - DEC -	JUN - DEC -
	JUL - JAN -	JUL - JAN -	JUL - JAN -	JUL - JAN -	JUL - JAN -
	AUG - FEB -	AUG - FEB -	AUG - FEB -	AUG - FEB -	AUG - FEB -
	SEP - MAR -	SEP 13537 MAR -	SEP - MAR -	SEP - MAR -	SEP - MAR -
	FEB - AUG -	FEB - AUG -1430	FEB - AUG -	FEB -1000 AUG -1300	FEB 400 AUG -
	MAR - SEP -	MAR 4326 SEP 703	MAR - SEP -	MAR 5150 SEP -1200	MAR - SEP -900
	APR - OCT -	APR - OCT 1200	APR - OCT -	APR -2315 OCT -	APR - OCT 2150
	MAY - NOV -	MAY - NOV 5608	MAY - NOV -	MAY -3200 NOV -	MAY 1918 NOV 13163
	JUN - DEC -	JUN - DEC -	JUN - DEC -	JUN -4100 DEC -1310	JUN - DEC -200
	JUL - JAN -	JUL 24636 JAN 17285	JUL - JAN -	JUL - JAN -600	JUL -681 JAN -

FE INDEX 1ST QTR 1969

BEATRICE FOODS CO — $2.70 P

BEATRICE FOODS CO — $4 PFD CUM

BECKMAN INSTRUMENTS

BECTON, DICKINSON & CO

BEECH AIRCRAFT CORP

	VOL	HIGH	LOW	CLOSE
4/1			75	85
2			75	85
3			75	85
4		HOLIDAY		
7			75	85
8			75	85
9			75	85
10	1	<81	<81	81
11			76	86
	1	8.68		93-1
14			76	86
15			76	86
16			76	86
17			76	86
18	1	<86	<86	86
	1	9.31		92-7
21			86	92
22			90	98
23			88	98
24			88	98
25			88	95
28			85	95
29			85	95
30			82	91
5/1			82	91
2			82	91
5			82	91
6			82	91
7			82	91
8			82	91
9			82	91
12			82	91
13			80	90
14			80	90
15			80	90
16			80	90
19			80	90
20			80	90
21			80	90
22			85	90
23			86	90
26			87	90
27			85	90
28			85	90
30		HOLIDAY		
	1	9.60		92-3
6/2	1	86-4	<86-4	86-4
3			86	90
4	1	86-4	86-4	86-4
5	1	<91	91	91
6			87	93
	3	9.79		92-3
9	X		87	90
10			87	90
11			86	90
12			80	90
13			83-1	90
16			80	90
17			82	90
18			83-1	90
19			82	90
20			82	90
23			80	90
24			82	89
25			80	89
26			80	89
27			80	89
30	1	86-6	86-6	86-6

	VOL	HIGH	LOW	CLOSE
	3	99-4	89-4	89-4
	1	89-4	89-4	89-4
	3	89-7	89-7	89-7
		HOLIDAY		
	7		9.69	
	7	90	<89	90
	3	90	90	90
	4	90	90	90
	2	91	91	91
	41	<92	91	92
	57		9.75	
	2	92	<92	92
	8	93-6	92	93-6
	3	93-8	93	93-6
	4	95	93-2	95
	4	<97	96	96
	21		10.28	
			97	99
	8	<99	<99	99
	2	99	99	99
			96	99
	1	99	99	99
	11		10.75	
	2	<99	98	99
	1	96-4	96-4	96-4
	2	97	96	96
			94	96
	2	96	<94-4	94-4
	7		10.11	
	6	96	96	96
	2	96	96	96
	5	96	<94-2	94-2
	2	96	96-2	96
	3	<96-2	95-4	95-4
	18		9.95	
	5	96-2	<96	96
	10	95-6	94-6	95-6
	2	96	96	96
	4	97-4	96	97-4
	6	<99-4	98	98
	27		10.10	
			97	100
	4	98-2	<98	98-2
	3	99-4	99-5	99-4
	5	99-6	99-4	99-4
	10	<100	99-6	99-7
	22		10.47	
	1	<101	101	101
	5	101	<100	100
	4	101	101	101
		HOLIDAY		
	17		10.77	
	1	100	<100	100
	12	101-6	100	101-6
	2	101-6	101-6	101-6
	16	<102	102	102
	2	104-6	105-2	105-2
	33		11.39	
X		98		104-2
	11	<104-4	104-2	104-4
	4	104-4	101-6	101-6
	3	102	100-4	100-4
	3	100-4	<99	100-4
	21		11.26	
			99	100-4
	1	100-4	100-4	100-4
		<103	101	101
	3	99-4	<98-6	98-6
	10		11.45	
	7	98-2	<98	98
	2	<99-6	98	98-6
			98-2	101
	1	98-2	98-2	98-2
	1	99	99	99
	11		11.29	
			98	102

	VOL	HIGH	LOW	CLOSE
	53	50	49-2	49-2
	29	49-3	49	49
	156	49	48-5	49
		HOLIDAY		
	238		5.21	48-4
	27	48-4	<47-7	48
	40	48-4	48	48-2
	33	50	48-6	50
	69	<51-2	50-4	50-4
	66	51	50	50-4
	235		5.41	48-6
	67	<51-2	50-2	50-2
	37	50-2	50	50
	52	50-2	48-4	48-6
	45	49-2	48-4	48-6
	36	48-7	<47-5	48-2
	237		5.28	48-7
	4	49-6	48-4	48-4
	13	48-4	47-5	48-1
	36	49	<47-5	49
	51	50	48-6	50
	20	<50-4	49-5	49-5
	124		5.43	49
	41	50-2	<50	50-2
X	203	53-2	50	53
	238	55	53-4	55
	141	55-4	55	55-4
	110	<58	55-3	58
	733		5.85	49-3
	202	<58-6	57-6	58-4
	79	58-4	58	58-4
	59	58-1	57-4	57-6
	59	57-5	55-4	55-6
	13	55-6	<55-3	55-6
	412		5.77	49-7
	43	56-3	<55-4	56-2
	12	56-2	56	56-2
	74	<58-2	56-1	58
	35	57	55-6	56-4
	9	56-6	56	56-2
	173		5.85	49-2
	24	<56-2	55	56-2
	62	56	55-3	55-4
	78	55-4	55	55
	38	55-2	<54-6	54-6
	12	54-7	54-6	54-7
	214		5.76	50-4
	38	54-7	<54-5	54-5
	32	<55	54-5	54-6
	11	55	54-6	54-6
		HOLIDAY		
	121		5.84	50-7
	14	<55-3	54-6	54-6
	15	54-6	<53-4	53-6
	29	54-4	53-6	54
	24	54	53-4	54
	11	54	53-4	53-6
	92		5.90	50-1
	31	<53	52-4	52-6
	22	53	52-1	52-1
	98	51-7	51-6	51-4
	63	52	51	51-4
	42	51-6	<50-4	50-4
	256		5.77	51-2
	1	50	<49	49
	38	49-4	49	49-4
	45	<51	49-2	49-2
	24	49-6	49-1	49-6
	27	50-4	49-4	49-2
	149		5.64	51-2
	65	<49-6	47-5	49-5
	81	47-4	46-4	47-2
	42	47	45-2	45-2
	61	45-1	44-6	44-6
	87	44-7	<44-5	44-5
	295		5.14	50-7
	38	45	44-4	44-5

	VOL	HIGH	LOW	CLOSE
	154	44-3	44	44-1
	171	44	42-4	42-6
	36	42-6	42	42-6
		HOLIDAY		
	391		4.24	42-7
	140	43-5	<41-6	42-5
	73	43-7	41-5	42-2
	69	43-7	42-2	43-4
	155	44-1	44	44-1
	166	<47	46	46-7
	602		4.94	42-4
	58	<47-4	46-4	46-6
	50	46-7	46	46
	81	46	<46-2	46
	64	46-7	46-5	46-6
	41	47	46-4	46-4
	204		5.01	42-6
	149	47	<46	46-6
	47	46-6	46	46-6
	43	46-6	46-2	46-2
	29	46-4	46-2	46-4
	75	<47-2	46-4	46-4
	343		5.15	43
	31	47	<46-4	47
	76	47-4	47	47-1
	56	47-4	47-3	47-4
	57	47-3	47-4	49-2
	67	<49-4	47	49
	287		5.19	43-3
	64	49-6	<48-6	49
	43	<49-7	49-2	49-5
	24	49-7	49-3	49-3
	66	49-6	48-6	49-5
	13	49-3	49-1	49-3
	216		5.15	43-6
	55	49-2	48-6	49-2
	33	49	<47-4	49-5
	40	49-5	49-2	49-4
	71	<49-7	49-2	49-6
	22	49-6	49-4	49-4
	711		5.15	44
	59	49-5	49	49-5
	66	49-7	49-3	49-4
	101	50	49-6	50
	35	<50-4	50	50-4
	102	50-4	50-1	50-1
	178		5.19	44-6
	48	<51-3	50	50-3
	35	50-3	<49-6	50
	22	50-4	50	50-2
X	21	50-3	49-6	50-1
	11	50-4	50-1	50-1
	147		5.10	45-1
	49	50-2	49-6	50
	23	<50-4	49-1	50-1
	31	49-6	49-2	49-4
	79	49-6	47	49-2
	99	47-6	47-5	48-5
	231		5.01	46-7
	26	<47-7	47-2	47-7
	79	47-6	47-4	47-6
	73	47-6	47-6	47-6
	70	47-2	47-5	47
	57	47-2	<47-4	47-4
	305		5.31	47-2
	60	47-4	<47-6	48
	76	<47-4	47	47-6
	36	47-3	47-1	47-1
	70	47-2	47-4	47-4
	20	47-4	47-7	47-4
	262		5.44	45-3
	41	47	46-4	47

	VOL	HIGH	LOW	CLOSE
	20	35-2	35-2	35-2
	5	35-6	35-2	35-2
	9	35	34-4	35
		HOLIDAY		
	34		3.77	41
	25	<34-2	34	34
	10	33-7	33-6	33-6
	18	33-6	33-5	33-6
	7	33-4	33-1	33-1
	17	33	<33-4	33-7
	77		3.55	40-6
X	10	<32-5	32	32
	17	31-5	30-7	31-4
	24	31-5	30-6	31
	8	30-5	<30	30
	228	30-5	30	30-1
	287		3.25	40-3
	24	<30-3	30	30-3
	15	30	29-1	29-5
	21	29-6	29-2	29-2
	18	29-2	29	29
	29	29-1	<28-7	29
	107		.15	39-4
	26	<29-5	28-3	28-4
	63	29-2	27	27-5
	585	29	<26	26-4
	104	27-3	26-7	27-3
	149	27-5	27	27-4
	877		2.88	39-2
	150	27-6	<27-4	27-6
	65	28	27-4	27-7
	50	28-1	27-7	28
	28	28-1	27-7	27-7
	949	<28-2	27-4	28-1
	1242		2.89	39-5
	90	30	29-4	30
	53	<3 -2	30	30-1
	39	31-2	30	30
	31	33	<29	29-6
	3	29-4	29-2	29-7
	216		3.09	38-1
	12	29-2	28-4	29
	33	29	28-3	28-3
	18	29	29-1	29
	264	29	<28	28-5
	17	<29-7	29-5	29-7
	344		3.61	37-6
	33	<30-1	29-6	30
	36	30-1	29-4	29-4
	26	30	29-6	29-6
	15	29-6		
		HOLIDAY		
	110		2.99	37
	1021	<27-6	27	27-1
	27	27-2	26-5	26-6
	87	27-2	26-6	26-7
	135	26-7	26-4	26-6
	26	26-7	<26-2	26-2
	1256		2.87	36-7
	33	<26-6	26	26-6
	23	26-6	26-2	26-5
	57	26-4	26	26-2
	18	26	<25-5	25-6
	7	25-5	25-6	25-6
	118		2.69	35-7
	33	<25	25	25
	35	25	23-3	23-7
	51	24-4	23-4	23-6
	32	24-1	<23	23-2
	73	24-2	23-5	24-5
	171		2.44	35-1
	24	24-7	<23-5	24-7
	27	<24-7	24-5	25
	79	25-1	25	25-5
	30	25-6	25	25-1
	23	25	23-6	23-6
	183		2.83	34-4
	19	24-4	24	24-3

BANK

DIV — .675

BANK

DIV — 1.000

BANK — $ .93

DIV — .125

BANK — $ .96

DIV — PFDR 3/2 SPLIT .075

BANK — $ 1.69

DIV — .188

	JUL	-	JAN	-		JUL	-	JAN	-		JUL	32072	JAN	66915		JUL	61350	JAN	63375			-	JAN	-	
	AUG	-	FEB	-		AUG	-	FEB	-		AUG	33040	FEB	63270		AUG	31125	FEB	61400		AUG	-	FEB	-	
	SEP	-	MAR	-		SEP	-	MAR	-		SEP	39290	MAR	64554		SEP	35370	MAR	67350		SEP	13537	MAR	-	
	OCT	-	APR	-		OCT	-	APR	-		OCT	49473	APR	67610		OCT	27443	APR	-		OCT	21540	APR	-	
	NOV	-	MAY	-		NOV	-	MAY	-		NOV	85412	MAY	96350		NOV	43750	MAY	25100		NOV	11501	MAY	-	
	DEC	-	JUN	-		DEC	-	JUN	-		DEC	87665	JUN	31045		DEC	41190	JUN	43100		DEC	-	JUN	-	
	MAY	1338	NOV	-		MAY	-	NOV	-		MAY	-100	NOV	-		MAY	50	NOV	-132		MAY	-	NOV	5600	
	JUN	-	DEC	-		JUN	-	DEC	-		JUN	-	DEC	-740		JUN	-16200	DEC	50		JUN	-	DEC	-	
	JUL	-	JAN	-		JUL	-	JAN	-		JUL	-	JAN	-		JUL	-500	JAN	11700		JUL	24435	JAN	17295	
	AUG	-	FEB	-		AUG	-	FEB	-		AUG	-	FEB	22550		AUG	-	FEB	-2		AUG	-1410	FEB	-	
	SEP	-	MAR	-		SEP	-	MAR	-		SEP	-	MAR	7		SEP	-55	MAR	-		SEP	7	MAR	-	
	OCT	-	APR	-		OCT	-	APR	-		OCT	-	APR	-		OCT	-1100	APR	-		OCT	12	APR	-	

	BEECH AIRCRAFT CORP				BEECH CREEK RR				ELCO PETROLEUM CORP				[illegible]				[illegible]			
	TICKER SYMBOL BCA		THOUS SH OUTSTAND 454		TICKER SYMBOL		THOUS SH OUTSTAND 125		TICKER SYMBOL BHC		THOUS SH OUTSTAND 4774		TICKER SYMBOL MAY		THOUS SH OUTSTAND 1		TICKER SYMBOL		THOUS SH OUTSTAND 50	
	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE	VOL	HIGH	LOW	CLOSE
7/1	40	25-4	>24-3	25-4	60	>28-4	>28-4	28-4	151	>25-3	24-4	25-3	6	22-7	>22-5	22-7	10	70-4	>69-2	70-4	7/1
2	28	>25-6	25	25-3			28-4	29-4	46	25-2	>23-6	24-3	2	23	23	23	12	71-2	71-4	71	2
3	16	25-4	25-1	25-4			28-4	29-4	51	24-7	23-6	24-2	3	>23-4	23-2	23-4	24	>73-4	71	73-2	3
4		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			4
		2.68		33-6		3.33		33-4		2.78		30-7		2.53		25-7		8.27		71-5	
7	20	>25-4	24-1	24-1			28-4	29-4	176	>25	24-4	24-4	11	>23-4	23-2	23-2	21	>73-4	72-4	72-4	7
8	21	24-5	24	24	20	28	28	28	150	24-6	24-1	24-3	3	23	23	23	10	72-2	71	71	8
9	9	25	24-1	25	20	27-5	>24-5	27-5	83	24-4	24	24	5	23	23-4	23-4	13	70-6	69-2	69-2	9
10	18	25-4	24-2	24-4			27-4	28-4	44	23-7	23-2	23-7	19	22-2	22-2	22-5	19	69	68-1	69-1	10
11	46	24-3	>23	23	100	>28-4	28-4	28-4	35	23-5	>23	23		21	>22-6	22-6	47	66-1	>65-3	65-5	11
	114	2.89		33	140	3.36		33-3	498	2.82		37-5	56	2.55		23-3	110	7.50		71-3	
14	10	23-3	23	23-3			27-4	29	55	22-4	>21-4	22	8	22-6	22-5	22-6	9	69-4	69-1	69-2	14
15	X 63	23-2	22	22-2			27-4	29	33	22	21-5	22	1	22-6	22-6	22-6	21	69-1	69	69-1	15
16	87	23	>21-6	23-3			27-4	29	121	>23-4	23	23-6	6	22-6	>22-4	22-6	23	69	68-4	68-4	16
17	60	>23-4	22-3	23-4			27-4	29	103	23-4	22-6	23-3	9	21-2	21-6	21-2	22	>67-2	66-2	66-2	17
18	41	23-3	22-7	23-3			27-4	29	41	23-2	22-4	23-6	6	>21-4	21-3	21-3	12	66	>65	66-4	18
	261	2.64		34-3		3.45		30-1	303	2.74		30-6	30	2.45		24-4	67	7.77		71-1	
21		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			21
22	39	>23	22	22-1	30	27-4	>27	27	62	>23-2	22-2	22-6	9	>21	21-3	21	23	>66-1	64-4	66-4	22
23	39	22-4	22	22			27	29	11	22-6	22	22-2	5	20-6	20-5	20-6	21	66-6	>64-1	66-2	23
24	22	21-7	21-3	21-3			27	29	92	22-4	22	22-2	3	20-5	20-5	20-5	21	66-4	66-2	66-4	24
25	27	21	>20-5	20-6	30	>28-4	28-4	28-4	11	22-2	>21-4	21-6	2	20-5	>20-3	20-5	21	66-4	66-4	66-4	25
	127	2.59		31-5	60	3.31		34-7	179	2.69		36	19	2.51		23-3	93	7.80		70-7	
28	37	20-5	20	20			27	29-4	34	21	20	20-5	16	>20-4	20-7	20-7	72	>66-2	61-4	61-4	28
29	2383	20-1	18	19			27	29-4	65	21-2	20-4	20-6	30	21-2	20-4	21-2	44	62-4	59	59	29
30	87	19-4	18-4	19-4			27	29-4	100	20-4	20	20-3	4	21-2	>20	21-2	95	63	58-4	58-4	30
31	2040	20-3	>18	20-1			27	29-4	1204	20-7	>20	20-7	15	23-4	21-4	23-4	117	57	>54-5	55-7	31
8/1	294	>23-7	20-6	22-7			27	29-4	882	>24	21-5	24	12	24-2	20	21	168	58	55-2	57-4	8/1
	4721	2.47		31-1	3	3.62		32-5	3811	2.56		25-3	74	2.51		23-7	806	6.13		70-3	
4	135	>23-2	21-2	22			27	29-4	2227	>24-7	>22-4	23-7	7	23	21-6	23	93	57-5	54-6	54-7	4
5	55	22	>20-1	20-3			27	29-4	183	23-7	23-3	23-3	2	20	>20-5	20	184	57-7	53	53-2	5
6	57	21-5	20-4	22-3			27-4	29-4	531	24-7	23-5	24-6	5	20-2	20	20-2	150	60	58	58-5	6
7	16	22-4	22	22			27-4	29-4	108	24-6	23-1	23-5	3	21-4	21-2	21-4	48	>60-6	59-5	60-2	7
8	42	22-2	21-4	22	10	>29-4	>27-4	28-4	93	24-1	23-5	23-5	2	>21-4	21-4	21-4	21	60	59-4	59-4	8
	305	2.65		30-6	10	3.59		32-3	2142	2.67		24-4	17	2.41		21-1	489	7.29		71-1	
11	28	>21-7	21	21			28	31-4	64	23-6	>22-2	22-6	3	20-4	>20-4	20-4	13	59-7	59	59	11
12	14	21-3	20-6	20-6			28	30-4	77	23-4	23-5	23-6	5	>21-7	21-7	21-7	21	58-6	58	58-1	12
13	15	21-2	20-3	21-2			29	30-4	624	24-1	23-2	23-3			21-3	21-3	114	60	>57-4	57-4	13
14	31	21-6	>20-2	20-2			29	30-4	198	24-6	24	24-6			20-3	21-1	73	60-2	57-5	59	14
15	8	21	20-5	20-5			28	30-4	264	>24-6	24-4	24-6			21	21-1	49	59-4	59	59-2	15
	96	2.49		28-6		3.75		32-2	1497	3.04		31-5	8	2.68		24-7	886	7.26		61-6	
18	23	21-3	>20-5	21-1			29	33-4	99	25	>24	24-4					13	59-7	59	59	18
19	37	21-4	21-3	22-3			29	30-4	357	25-6	24-5	24-6	4	21-2	>21	21-2	56	60	>59-2	59-6	19
20	38	>20-5	21-6	22-2			28-4	29-4	82	25-4	25-1	25-1	14	21-6	21-3	21-6	144	62-2	59-7	60-2	20
21	51	23-5	22	22-4			28-4	30-4	171	25-5	25-4	25-5	18	>21	21	21	29	61	61-2	61	21
22	7	22-4	22-2	22-2			28-4	29-4	143	25-7	25-6	25-7	1	21-7	21-7	21-7	116	61-7	61-4	61-7	22
	106	2.70		24-2		3.03		32-1	872	3.07		32-3	37	2.41		21-7	90	>63	60	63	
25	45	>22-4	21-1	21-4			28-4	31-4	67	>26-7	25-4	25-4	7	>21-4	21-1	21-4	3.3	7.61		69-3	25
26	58	21-5	21-1	21-4			28-4	29-4	92	26-2	>24-5	25-2	3	21	21	21	44	>63	61	61	26
27	30	21-3	21-1	21-1			28-4	29-4	164	26-6	25-6	25-6	5	21	21	21	43	61-4	60-4	60-5	27
28	95	21-4	>21	21-1			28-4	29-4	110	26-3	25-1	25-2	2	21	>20-4	20	64	62-2	>60-2	62	28
29	63	22-2	21-5	21-7			28-4	29-4													29
		HOLIDAY				HOLIDAY				HOLIDAY				HOLIDAY			16	61-3	60-4	61-1	
9/1													44	6.1		20-2	191	7.45		69	
2	45	21-5	21	21-5	80	>29-4	>21-1	21-1	95	>24-7	25-1	25-1	6	>21	21-5	21-5		HOLIDAY			9/1
3	11	>21-7	21-1	21-1			27-2	29	55	24-2	23	23	5	20-7	20-3	20-7	65	>61-3	60-3	61	2
4	45	21-3	20-2	20-2			27-2	29	30	23-3	23-1	24-1	23	21	>19-6	20	26	60-6	59-5	60	3
5	36	21	>20	20-2			27-2	29	59	24-6	>23-2	24-4	10	20	20	20	47	60-4	59-6	60-2	4
	137	2.48		23	50	3.51		31-5	299	2.92		31-5	44	2.41		22-4	34	60-2	>59-5	59-5	5
8	25	>20-7	20-1	20-5			27-2	29	41	25	24	24	7	20	19-6	20	172	7.30		63-5	
9	42	21-6	20-1	20-3	X		27-4	29	122	25	>23-2	24-2	3	20	19-6	19-6	46	60	>59-3	59-5	8
10	22	21-2	20	20	10	>29	>29	29	50	25-6	24	24-2	4	20	19-7	20	57	60-4	59-6	60-2	9
11	15	20-3	20	20-1			28	29-4	97	>26-7	24-3	24-3	9	20	>19-6	20	84	>63	60-2	63	10
12	33	21-2	>20	20			28	29-4	84	24-3	23-5	23-6	5	>20-1	19-7	19-7	70	63	62	62	11
	137	2.44		27-3	10	3.57		31-3	314	2.59		30-7	28	6.41		19-7	50	62-4	61-7	62	12
15	56	>20-3	19-6	19-6			28	29-4	10	24	23-3	23-5	1	19-7	19-7	19-7	377	7.51		69-3	
16	34	20-2	19-5	20			28	29-4	80	25-5	>23-2	23-5	1	19-6	19-6	19-6	182	64-2	>62-2	64	15
17	23	20-2	19-5	19-5			28	29-4	171	25-1	23	24-6	3	19-7	19-7	19-7	111	63-1	62-1	64-5	16
18	18	19-7	>19-5	19-7			28	29-4	171	25-3	24-1	25-1	10	>20	19-7	19-7	25	62-2	62-6	62-2	17
19	18	20-1	19-6	20-1			28	29-4	119	>25-5	25-4	25-7	1	19-7	19-7	19-7	60	63-4	62-6	63-5	18
	154	2.39		24-6		3.53		31-2	699	3.04		31-6	16	2.41		20-4	825	7.97		71-3	19
22	30	>20-1	19-2	19-2			28	29-4	43	>26	24-3	24-7	2	19-5	19-5	19-5	61	64	62-2	64-4	22
23	41	19-5	19-2	19-6			28	29-4	48	25-1	24-2	24-7	1	>20	19-7	20	73	>63-4	62-4	63-4	23
24	44	19-6	19	19			28	29-4	66	25-3	24-3	24-3	5	20	19-6	19-6	32	63-3	62-4	62-4	24
25	50	19	18-5	18-5	300	>28	>27-1	27-4	98	24-6	>24	24-6	3	19-5	19-5	19-5	149	63-4	62-7	66	25
26	53	18-7	>18-3	18-5			27	29	54	24-1	24-2	24-2	8	19-5	>19-4	19-4	85	64-1	>63-7	64	26
	218	2.24		26-2	300	3.31		31	259	2.97		31-1	25	2.41		20-1	413	7.71		69-3	
29	14	19	18-6	19			27	28	17	24-6	23-5	24	2	19-2	19-2	19-2	41	65-7	65-3	65-6	29
30	47	19-1	18-4	18-6			27	29	57	24-3	23-2	24-3	6	19-6	19-4	19-6	48	66-2	65-5	65-6	30

TAXES			$ 1.62				$ .00				$ 1.49				$ 1.83	
DIV		.188				.500								.150		
	OCT	21363	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-
	NOV	11321	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-
	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-
	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-
	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-	FEB	-	AUG	-
	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-	MAR	-	SEP	-
	AUG	1431E	FEB	-	AUG	-	FEB	-	AUG	1330	FEB	-	AUG	-	FEB	-
	SEP	700E	MAR	-	SEP	-	MAR	-	SEP	1200	MAR	3300	SEP	-	MAR	-
	OCT	1211E	APR	-	OCT	-	APR	-	OCT	-	APR	-	OCT	-	APR	-
	NOV	560E	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-	NOV	-	MAY	-
	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-	DEC	-	JUN	-
	JAN	1728E	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-	JAN	-	JUL	-

BEATRICE FOODS CO

TICKER SYMBOL THOUS SH OUTSTANDING
BRF 3773

	VOL	HIGH	LOW	CLOSE
1968	1	98-2	98-2	98-2
	2		98-2	97
	3	98	>98	98
	4	1.85		96-4
	5	98-6	92-6	93-6
	6	>94	93-2	93-2
	8		92	100
	9	92-6	>92-4	92-4
	10		92	92-2
	11	1.15		96-2
13			92-4	92-2
14	2	96	95	96
15	1	95	>95	95
16	2	94	93-2	94
17		>100	99-2	100
	7	1.17		96-3
20	2	99-2	99-2	99-2
21	7	101	>99-2	101
22			101	110
23			102	103-2
24	1	>102-4	102-4	102-4
	18	1.21		96-6
27			103	103-2
28			97	107
29			97-4	107
30	1	98	>98	98
31	3	>100	100	100
	4	1.15		96-7
11/1			102	107
4			102	103
5	1	102	102	102
6	3	>102-2	>101-4	101-4
7			101	103-2
	6	1.19		97-1
10	2	103-2	103-2	103-2
11			101	110
12	7	>104	102-4	102-4
13	3	104	103	104
14	1	102-4	>102-4	102-4
	9	1.22		97-5
17			99	105-2
18			95-4	105-2
19			99	105-2
20			99	105-2
21			96-4	105-2
		1.27		98-1
24			85	99-4
25			80	99-4
26			91-6	99-4
27		HOLIDAY		
28	1	>99-4	>99-4	99-4
	1	1.23		98-1
2				
3			95-4	99
4			94	99-2
5	2	>99-4	>99-4	99-4
9			99-4	110
	2	1.25		98-2
4			99	110
9	X		98-4	110
10	1	98-4	98-4	98-4
11	3	>98-6	>98-4	98-4
12			98-4	110
	4	1.26		98-2
15			98-4	105-2
16			98-4	110
17			98-4	110
18			98-4	110
19			98-4	110
		1.40		99
22	1	>99	>99	99
23			98-4	110
24			98-4	110
25		HOLIDAY		
26			98-6	110
	1	1.39		99-5
29	4	98-6	98-4	98-4
30			95	98
31			95	98
	4			
FAKN			105	
DIV	1.000			$ 1.39

SHORT INT	JAN	-	JUL	-	JAN	66935	JUL	11935
	FEB	-	AUG	-	FEB	63290	AUG	30740
	MAR	-	SEP	-	MAR	66865	SEP	21065
	APR	-	OCT	-	APR	67410	OCT	-
	MAY	-	NOV	-	MAY	36350	NOV	9340
	JUN	-	DEC	-	JUN	33045	DEC	-
INSTITUTIONAL HOLDINGS	NOV	-	MAY	-	NOV	-	MAY	360E
	DEC	-	JUN	-	DEC	-740	JUN	600C
	JAN	-	JUL	-	JAN	-	JUL	200
	FEB	-	AUG	-	FEB	205500	AUG	-
	MAR	-	SEP	-	MAR	700E	SEP	-
	APR	-	OCT	-	APR	-	OCT	-

BRUNSWICK CORP

TICKER SYMBOL THOUS SH OUTSTANDING
BC 7668

	VOL	HIGH	LOW	CLOSE
	90	55	54-2	54-2
	66	55	>53-4	54-6
	50	>55-6	54-6	54-6
	166		.67	51
	56	55-2	54-4	55-2
	36	56-2	55	56
	58	55-6	54-6	54-6
	45	54-4	>54	54-4
	36	>57	55	56-7
	731		.64	51-2
	137	61	57-2	60-4
	370	>61-2	59-4	60
	616	59-6	58	58-4
	250	60	>56-5	59-2
	113	59	58-4	58-4
	1486		.71	51-6
	44	>59	58	58-7
	107	58-7	58	58-2
	68	58-4	57-4	57-4
	229	57-2	56	57-2
	56	57-2	>56-4	56-4
	548		.67	52-1
	46	57-4	>56-2	56-6
	49	57-2	56-4	57-2
	118	58	56-6	57-7
	122	>60	57-2	59-4
	50	59-6	59-2	59-2
	385		.70	52-5
	33	59-4	59	59-2
	76	60-6	>58-4	60-5
	101	61-6	60-2	61-6
	154	>61-4	61-4	61-6
	144	62-2	61-2	61-2
	508		.72	53-1
	57	>61-6	60-2	60-2
	236	60-4	58	58-7
	42	59	58-2	59
	42	59-2	59	59-2
	23	59	>57-4	57-4
	400		.70	53-4
	73	>58	56-6	57
	69	57	56	56
	26	56-1	55-5	55-5
	121	55	53-4	54-2
	116	54	>52	52
	405		.56	51-4
	37	51-6	50-4	51-6
	187	>52-4	50-2	50-2
	28	50	>49-4	50
		HOLIDAY		
	10	50-2	49-7	50
	262		.62	53-3
	97	>61	59	60-7
	25	48-6	48-2	48-4
	15	49	47-7	47-7
	169	49-2	47-1	49-2
	73	49-2	>47	47
	295		.62	53
	47	47	46	46-2
	65	47-4	46-4	46-5
	31	46-6	>45-6	46-4
	36	47-4	47	47-2
	13	>47-6	47	47
	192		.60	52-5
	22	47	46-2	46-3
	31	46-5	46-2	46-2
	59	46-4	>46	46-4
	443	>48-4	46-2	46-4
	89	48-4	47-4	47-4
	644		.62	52-3
	59	>47-6	46-6	47-2
	680	47	>45-4	46
	12	46-2	46	46
		HOLIDAY		
	74	47-4	46-2	47-4
	825		.60	52
	28	49	48-6	48-6
	25	49-4	49-1	49-2
	52	49-4	47-2	47-2
	139			
				$ 1.00
	.075			

SHORT INT	JAN	53975	JUL	-	JAN	-	JUL	-
	FEB	31490	AUG	-	FEB	-	AUG	-
	MAR	17938	SEP	25060	MAR	-	SEP	-
	APR	20155	OCT	-	APR	-	OCT	-
	MAY	20601	NOV	19419	MAY	-	NOV	-
	JUN	23080	DEC	30269	JUN	-	DEC	-
INSTITUTIONAL HOLDINGS	NOV	-320	MAY	1380E	NOV	560E	MAY	-
	DEC	5920E	JUN	-	DEC	-	JUN	324E
	JAN	1579E	JUL	1380E	JAN	172AE	JUL	-
	FEB	-20000	AUG	-60L	FEB	5C6E	AUG	1500
	MAR	-50	SEP	-1000	MAR	-	SEP	-
	APR	-18300	OCT	-7000	APR	2016E	OCT	-

BUCYRUS ERIE CO

TICKER SYMBOL THOUS SH OUTSTANDING
BUC 1615A

	VOL	HIGH	LOW	CLOSE
	307	54-2	51-4	51-6
	52	54	>51-4	54
	67	>54-6	53-6	54-6
	426		.67	48-5
	74	>54-5	53-4	53-4
	64	53-5	52-6	52-6
	51	53-2	52-6	53
	18	53-2	>52-5	52-6
	171	54-4	52-6	54-3
	278		.66	48-7
	67	55-3	>54-2	55-3
	38	>56-6	54	56
	15	56	55-4	55-6
	63	56-3	55-2	56-3
	78	55-6	54-4	55-2
	261		.67	49-3
	43	55-6	55	55
	59	56-4	>54-5	56
	88	56-7	56-3	56-7
	43	>59-6	59	59-5
	35	59-6	59	59-6
	268		.70	50
	36	>59-6	58-6	59-2
	41	59-2	57-5	58
	29	58-2	57-6	58
	36	57-4	>56-6	57-4
	47	58	57-2	57-7
	189		.68	50-4
	235	58	57	57-4
	16	57-7	>57	57-7
	64	>59-2	58	58
	21	58-7	58-4	58-4
	75	59-1	58-4	59-1
	411	-	.68	51
	27	59-7	59-1	59-7
	76	60-4	59-7	60-4
	71	>61-3	60-3	61
	62	60-7	59-5	59-5
	60	59-4	>57-5	57-5
	296		.70	51-4
	34	59	58	58-1
	77	58-4	>57	58
	40	59-2	58-4	58
	60	59	58-4	58-5
	48	>59-4	58-2	59-2
	259		.71	52
	53	59-4	58-4	59-1
	67	>60-4	58-6	58-6
	46	59-4	>58-2	59-2
		HOLIDAY		
	16	59-4	59	59-3
	182		.73	53-1
	97	>61	59	60-7
	49	60-6	60	60-2
	38	60-4	59-4	60
	65	60-2	>58-4	60
	28	59-7	59	59
	277		.75	52-7
	20	>59-4	58-1	58-1
	66	59-1	58	59-1
	147	58-6	>57	57-6
	61	58-3	57-7	58-2
	99	58-5	57-2	57-2
	393		.74	53-2
	91	56-7	56	56-2
	61	56-7	54-4	55
	576	55-2	>53-4	54-6
	697	>57	55	55-4
	216	56	55-2	56
	1641		.71	53-3
	54	>56	55-2	55-2
	44	56	55-2	55-4
	89	55-7	>54	55-7
		HOLIDAY		
	45	56	55-4	56
	232		.71	53-4
	49	57-4	56-6	57-4
	49	57-5	56-6	56-6
	41	57-6	57	57-3
	139			
				$ 1.00
	.075			

BUDD CO

TICKER SYMBOL THOUS SH OUTSTANDING
BDX 4639

	VOL	HIGH	LOW	CLOSE
	4	18-7	18-5	18-7
	78	>19	>18	18-4
	33	18-6	18-1	18-5
	115		.23	25-6
	24	18-5	18-1	18-5
	39	18-6	>18	18-2
	22	>18-7	18-2	18-5
	33	18-6	18-2	18-2
	33	18-7	18-2	18-5
	151		.23	25-2
	18	18-7	18-3	18-7
	91	19-5	>18-2	18-7
	68	20-3	19	20-3
	320	>23-5	21	23
	77	23	21-6	22-4
	574		.27	25
X	44	>22-4	21-1	21-1
	58	22	21	21
	35	21-5	20-1	20-3
	46	20-5	20	20-1
	44	20-3	>19-4	20
	231		.24	24-6
	33	>20-1	19-7	20-1
	44	20-1	19-3	20
	20	19-7	19-5	19-5
	20	19-7	>19-3	19-4
	29	19-6	19-4	19-4
	146		.23	24-3
	39	20	19-4	19-7
	19	20	>19-4	19-6
	61	20-4	19-6	20
	60	20-6	19-7	20-6
	51	>20-7	20	20
	230		.24	24-1
	26	>20-5	19-7	20
	13	20	19-7	19-7
	13	19-7	19-4	19-7
	60	20	>19	19
	43	19-7	19-1	19-4
	155		.22	23-6
	51	>19-7	18-6	19-3
	7	19-5	19-3	19-3
	33	19	18-5	19
	57	19-1	18-2	18-2
	35	18-7	>18-2	18-4
	183		.22	23-3
	50	19	18-5	18-5
	40	>19-1	18-4	18-4
	14	18-6	18-4	18-4
		HOLIDAY		
	34	18-7	>18-3	18-5
	178		.23	22-7
	26	>19	18-4	18-4
	21	18-4	18-4	18-4
	26	18-4	18-1	18-1
	58	18	>17-3	18
	22	18-1	17-4	17-5
	153		.23	22-6
	58	17-7	17	17
	56	17-6	17-1	17-2
	48	17-7	>16-7	17-7
	63	>18-3	17	18
	25	18-3	18-1	18-3
	242		.23	22-4
	51	18-7	18-2	18-4
	33	>19-2	18-3	19-2
	66	19	17-6	18
	79	18	17-6	18
	48	18-2	>17-5	17-7
	277		.23	22-1
	55	>18-1	17-5	17-6
	44	17-7	17-5	17-5
	44	17-7	17-4	17-4
		HOLIDAY		
	103	18	>16-6	18
	246		.23	21-7
	43	18-2	17-4	17-4
	43	17-7	17-1	17-3
	87	17-3	17	17-1
	173			
			$	.43
	.188	+ 2(STOCK		

SHORT INT	JAN	-	JUL	-	JAN	-	JUL	-
	FEB	-	AUG	-	FEB	-	AUG	-
	MAR	-	SEP	-	MAR	-	SEP	-
	APR	-	OCT	-	APR	-	OCT	-
	MAY	-	NOV	-	MAY	-	NOV	-
	JUN	-	DEC	-	JUN	-	DEC	-
INSTITUTIONAL HOLDINGS	NOV	560E	MAY	-	NOV	-	MAY	-
	DEC	-	JUN	324E	DEC	-	JUN	-
	JAN	172AE	JUL	-	JAN	-	JUL	-
	FEB	5C6E	AUG	1500	FEB	-	AUG	-
	MAR	-	SEP	-	MAR	-	SEP	-
	APR	2016E	OCT	-	APR	-	OCT	-

BEECH AIRCRAFT CORP

TICKER SYMBOL THOUS SH OUTSTANDING
BCH 120

	VOL	HIGH	LOW	CLOSE
			27	29
			27	29
			27	29
		.36		30-7
			27	29
			27	29
			27	29
	30	>27	27	27
	28	27	>27	27
	59	.34		30-5
			26	27
			26	27
	20	>27	>27	27
			27	28-4
			27	28-4
	20	.34		30-3
	100	26-2	>25-4	25-4
	80	>27-4	27	27-4
			25-6	29
			27	29
			27-4	29
	100	.34		30-3
			27-4	29
			27-4	29
			27-4	29
			27-4	29
			27-4	29
		.34		30-1
			27-4	29
	10	>29	>29	29
			28	30
			28	30
			28	30
			28	30
	10	>28	>28	28
	10	.36		30-1
			28	30
			28	30
		HOLIDAY		
			28	30
	20	>27-4	>27-4	27-4
			27-4	29
			27-4	28
			27-4	28
	20	.35		30
			27-4	28
			26-4	28
			26-4	27
			26-4	27
		.34		29-6
			26-4	27
			26	27
			26-4	26-5
			26-4	26-5
			26-4	26-5
		.34		29-4
			26-4	27-4
			26-4	27-4
			26-4	27-4
		HOLIDAY		
			26-4	27-4
		.35		29-3
			26-4	27-4
			27	28
			27	28
FAKN				
DIV				

SHORT INT	JAN	-	JUL	-	JAN	-	JUL	-
	FEB	-	AUG	-	FEB	-	AUG	-
	MAR	-	SEP	-	MAR	-	SEP	-
	APR	-	OCT	-	APR	-	OCT	-
	MAY	-	NOV	-	MAY	-	NOV	-
	JUN	-	DEC	-	JUN	-	DEC	-
INSTITUTIONAL HOLDINGS	NOV	-	MAY	-	NOV	-	MAY	-
	DEC	-	JUN	-	DEC	-	JUN	-
	JAN	-	JUL	-	JAN	-	JUL	-
	FEB	-	AUG	-	FEB	-	AUG	-
	MAR	-	SEP	-	MAR	-	SEP	-
	APR	-	OCT	-	APR	-	OCT	-

BEECH CREEK RR

TICKER SYMBOL THOUS SH OUTSTANDING
BCH 120

	VOL	HIGH	LOW	CLOSE
			27	29
			27	29
			27	29
		.36		30-7
			27	29
			27	29
			27	29
	30	>27	27	27
	28	27	>27	27
	59	.34		30-5
			26	27
			26	27
	20	>27	>27	27
			27	28-4
			27	28-4
	20	.34		30-3
	100	26-2	>25-4	25-4
	80	>27-4	27	27-4
			25-6	29
			27	29
			27-4	29
		.34		30-3
			27-4	29
			27-4	29
			27-4	29
			27-4	29
			27-4	29
		.34		30-1
			27-4	29
	10	>29	>29	29
			28	30
			28	30
			28	30
			28	30
	10	>28	>28	28
	10	.36		30-1
			28	30
			28	30
		HOLIDAY		
			28	30
	20	>27-4	>27-4	27-4
			27-4	29
			27-4	28
			27-4	28
	20	.35		30
			27-4	28
			26-4	28
			26-4	27
			26-4	27
		.34		29-6
			26-4	27
			26	27
			26-4	26-5
			26-4	26-5
			26-4	26-5
		.34		29-4
			26-4	27-4
			26-4	27-4
			26-4	27-4
		HOLIDAY		
			26-4	27-4
		.35		29-3
			26-4	27-4
			27	28
			27	28
FAKN				
DIV				

SHORT INT	JAN	-	JUL	-	JAN	-	JUL	-
	FEB	-	AUG	-	FEB	-	AUG	-
	MAR	-	SEP	-	MAR	-	SEP	-
	APR	-	OCT	-	APR	-	OCT	-
	MAY	-	NOV	-	MAY	-	NOV	-
	JUN	-	DEC	-	JUN	-	DEC	-
INSTITUTIONAL HOLDINGS	NOV	-	MAY	-	NOV	-	MAY	-
	DEC	-	JUN	-	DEC	-	JUN	-
	JAN	-	JUL	-	JAN	-	JUL	-
	FEB	-	AUG	-	FEB	-	AUG	-
	MAR	-	SEP	-	MAR	-	SEP	-
	APR	-	OCT	-	APR	-	OCT	-

ISE INDEX 4TH QTR 1969

EXHIBIT

STANDARD & POOR'S CORPORATION

THE ANALYSTS HANDBOOK OCTOBER 1969

Per Share Data—Adjusted to stock price index level. Average of stock price indexes, 1941-1943 equals 10.

425 INDUSTRIALS

Quarter	Sales Qtr'ly	Sales 4 Qtrs. Total	Taxes Qtr'ly	Taxes 4 Qtrs. Total	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Earnings % of Sales	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price/Earn. Ratio High	Ratio Low	Ratio Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn.	Yield % High	Yield % Low	Yield % Close
1966																			
3rd	22.16	89.09	0.90	4.37	1.34	5.84	6.56	93.92	79.77	81.65	16.1	13.7	14.0	0.71	3.01	51.54	3.77	3.20	3.69
4th	24.18	91.13	1.13	4.36	1.97	5.89	6.46	88.46	77.89	85.24	15.0	13.2	14.5	0.83	2.98	50.59	3.83	3.37	3.50
1967																			
1st	22.50	91.56	0.99	4.25	1.31	5.76	6.30	97.68	85.31	96.71	17.0	14.8	16.8	0.73	3.00	52.08	3.52	3.07	3.10
2nd	23.71	93.55	1.02	4.13	1.41	5.63	6.08	101.84	94.39	97.71	18.1	16.8	17.4	0.73	3.00	53.29	3.18	2.95	3.07
3rd	23.30	93.69	0.94	4.08	1.33	5.62	6.00	106.08	98.01	105.05	18.9	17.4	18.7	0.73	3.02	53.74	3.08	2.85	2.87
4th	25.20	94.71	1.15	4.10	1.61	5.66	5.98	106.15	99.25	105.11	18.8	17.5	18.6	0.82	3.01	53.18	3.03	2.84	2.86
1968																			
1st	24.65	96.86	1.25	4.36	1.43	5.78	5.97	104.92	95.05	98.20	18.2	16.4	17.0	0.76	3.04	52.60	3.20	2.90	3.10
2nd	26.07	99.22	1.44	4.78	1.56	5.93	5.98	111.28	100.82	108.31	18.8	17.0	18.3	0.78	3.09	52.11	3.06	2.78	2.85
3rd	25.54	101.46	1.24	5.08	1.43	6.03	5.94	112.04	105.07	112.01	18.6	17.4	18.6	0.77	3.13	51.91	2.98	2.79	2.79
	27.89	104.15	1.41	5.34	1.73	6.15	5.90	118.03	112.18	113.02	19.2	18.2	18.4	0.87	3.18	51.71	2.83	2.69	2.81
	26.64	106.14	1.16	5.25	1.51	6.23	5.87	113.19	106.36	110.91	18.2	17.1	17.8	0.79	3.21	51.52	3.02	2.84	2.89
	28.11	108.18	P1.49	5.30	1.58	6.25	5.78	116.24	105.44	107.06	18.6	16.9	17.1	0.81	3.24	51.84	3.07	2.79	3.03
	.....	.....	.....	.....	.....	.....	.....	109.30	97.75	102.49	17.5	15.6	16.4	0.79	3.26	52.16	3.34	2.98	3.18
*1969	*Earnings E6.45 (1968-6.16)*							+4.7%		*102.49*			*15.9*		*3.25*				*3.17*

RAILROADS

Quarter	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price/Earnings Ratio High	Ratio Low	Ratio Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn.	Yields % High	Yields % Low	Yields % Close
1966														
3rd	1.10	4.54	46.90	39.23	39.76	10.3	8.6	8.8	0.56	2.26	49.78	5.76	4.82	5.68
4th	1.24	4.39	42.92	37.91	41.04	9.8	8.6	9.3	0.65	2.34	51.03	5.91	5.22	5.46
†1967														
1st	0.77	4.71	47.30	41.35	46.39	10.0	8.8	9.8	0.55	2.28	48.41	5.51	4.82	4.91
2nd	0.88	4.23	49.00	45.25	48.31	11.6	10.7	11.4	0.55	2.31	54.81	5.10	4.71	4.78
3rd	0.87	3.61	51.46	48.22	48.22	14.3	13.4	13.4	0.57	2.32	64.27	4.81	4.51	4.81
4th	1.17	3.49	48.02	42.26	43.71	13.8	12.1	12.5	0.57	2.24	64.18	5.30	4.86	5.12
1968														
1st	0.78	3.48	44.11	40.82	42.31	12.7	11.7	12.2	0.55	2.24	64.37	5.49	5.08	5.29
2nd	1.01	3.61	52.90	42.59	51.25	14.7	11.8	14.2	0.55	2.24	62.05	5.26	4.23	4.37
3rd	0.80	3.74	53.48	47.60	53.48	14.3	12.7	14.3	0.55	2.22	59.36	4.66	4.15	4.15
4th	1.24	3.81	56.08	52.82	54.15	14.7	13.9	14.2	0.58	2.23	58.53	4.22	3.98	4.12
1969														
1st	0.87	3.72	56.86	49.34	50.58	15.3	13.3	13.6	0.56	2.24	60.22	4.54	3.93	4.43
2nd	0.99	3.70	50.91	44.48	44.87	13.8	12.0	12.1	0.56	2.25	60.81	5.06	4.42	5.01
3rd	.....	.....	45.06	40.57	41.92	12.2	11.0	11.3	0.56	2.26	61.08	5.57	5.02	5.39
1969	*Earnings E4.35 (1968-3.81)*	*+14.2%*			*41.92*			*9.6*		*2.29*				*5.46*

PUBLIC UTILITIES

Quarter	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price/Earnings Ration High	Ratio Low	Ratio Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn.	Yields % High	Yields % Low	Yields % Close
1966														
3rd	0.87	4.10	68.11	59.03	62.95	16.8	14.4	15.4	0.67	2.63	64.15	4.46	3.86	4.18
4th	1.00	4.16	69.46	61.51	69.35	16.7	14.8	16.7	0.70	2.69	64.66	4.37	3.87	3.88
1967														
1st	1.39	4.23	71.22	69.29	70.80	16.8	16.4	16.7	0.70	2.73	64.54	3.94	3.83	3.86
2nd	1.04	4.30	72.59	66.55	66.99	16.9	15.5	15.6	0.71	2.78	64.65	4.18	3.83	4.15
3rd	0.90	4.33	68.76	66.73	66.95	15.9	15.4	15.5	0.72	2.83	65.36	4.24	4.12	4.23
4th	1.07	4.40	66.66	62.21	66.08	15.1	14.1	15.0	0.73	2.86	65.00	4.60	4.29	4.33
1968														
1st	1.50	4.51	69.58	61.06	61.77	15.4	13.5	13.7	0.74	2.90	64.30	4.75	4.17	4.69
2nd	10.95	4.42	68.40	62.16	67.38	15.5	14.1	15.2	0.74	2.93	66.29	4.71	4.28	4.35
3rd	0.92	4.44	68.34	66.35	66.85	15.4	14.9	15.1	0.73	2.96	66.67	4.46	4.33	4.43
4th	1.04	4.41	73.30	66.71	69.89	16.4	15.1	15.8	0.76	2.99	67.80	4.48	4.14	4.29
1969														
1st	1.48	4.39	70.74	65.48	65.71	16.1	14.9	15.0	0.76	3.01	68.56	4.60	4.26	4.58
2nd	1.04	4.48	67.84	61.38	62.40	15.1	13.7	13.9	0.77	3.04	67.86	4.95	4.48	4.87
3rd	.....	.....	62.73	56.48	56.48	14.0	12.6	12.6	0.77	3.06	68.30	5.42	4.88	5.42
1969	*Earnings E1.62 (1968-4.39)*	*+5.2%*			*56.48*			*12.2*		*3.07*				*5.66*

‖Incl. 6 months surtax charge. †Earnings revised to consolidated basis beginning 1967; prior to 1967, "company only" earnings were used. Uniform Footnote Explanations—see Page 3.

Per Share Data—Adjusted to stock price index level. Average of stock price indexes, 1941-1943 equals 10.

COMPOSITE - 500 STOCKS

Quarter	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price/Earnings Ratios High	Ratios Low	Ratios Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn.	Yields % High	Yields % Low	Yields % Close
1966														
3rd	1.26	5.51	87.61	74.53	76.56	15.9	13.5	13.9	0.69	2.89	52.45	3.88	3.36	3.77
4th	1.47	5.55	83.00	72.20	80.33	15.0	13.2	14.5	0.79	2.87	51.71	3.93	3.46	3.57
1967														
1st	1.28	5.45	90.94	80.38	90.20	16.7	14.7	16.6	0.71	2.90	53.31	3.61	3.19	3.22
2nd	1.32	5.33	94.58	88.24	90.64	17.7	16.6	17.0	0.71	2.90	54.41	3.29	3.07	3.20
3rd	1.23	5.30	97.59	90.91	96.71	18.4	17.2	18.2	0.71	2.92	55.09	3.21	2.99	3.02
4th	1.50	5.33	97.51	91.14	96.47	18.3	17.1	18.1	0.79	2.93	54.78	3.20	2.99	3.03
1968														
1st	1.39	5.44	98.72	87.72	90.20	17.8	16.1	16.6	0.74	2.95	54.23	3.36	3.05	3.27
2nd	1.45	5.57	101.66	92.48	99.58	18.3	16.6	17.9	0.75	2.99	53.68	3.23	2.94	3.00
3rd	1.32	5.66	102.67	96.63	102.67	18.1	17.1	18.1	0.75	3.03	53.53	3.14	2.95	2.95
4th	1.60	5.76	108.37	102.86	103.86	18.8	17.9	18.0	0.83	3.07	53.30	2.98	2.83	2.96
1969														
1st	1.45	5.82	103.99	97.98	101.51	17.9	16.8	17.4	0.77	3.10	53.26	3.16	2.98	3.05
2nd	1.47	5.84	106.16	96.23	97.71	18.2	16.5	16.7	0.78	3.13	53.60	3.25	2.95	3.20
3rd	.....	.....	99.61	89.48	93.12	17.1	15.3	15.9	0.77	3.15	3.94	3.52	3.16	3.38
1969	*Earnings E6.05 (1968-5.76)*	*+5.0%*			*93.12*			*15.4*		*3.14*				*3.37*

AEROSPACE

Quarter	Sales Qtr'ly	Sales 4 Qtrs. Total	Taxes Qtr'ly	Taxes 4 Qtrs. Total	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Earnings % of Sales	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price/Earn. Ratio High	Ratio Low	Ratio Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn.	Yield % High	Yield % Low	Yield % Close
1966																			
3rd	55.31	222.14	0.80	5.22	1.26	6.39	2.88	93.42	73.29	73.29	14.6	11.5	11.5	0.59	2.39	37.40	3.26	2.56	3.26
4th	57.97	225.77	1.12	4.66	1.51	6.01	2.66	88.78	70.06	87.06	14.6	11.7	14.5	0.56	2.31	38.44	3.30	2.60	2.65
1967																			
1st	58.98	230.33	0.86	4.21	1.03	5.51	2.39	102.34	86.50	100.23	18.6	15.7	18.2	0.56	2.29	41.56	2.65	2.24	2.28
2nd	66.02	238.28	0.63	3.41	0.96	4.76	2.00	120.97	98.74	118.80	25.4	20.7	25.0	0.58	2.29	48.11	2.32	1.89	1.93
3rd	63.25	246.22	1.02	3.63	1.33	4.83	1.96	125.02	108.45	108.45	25.9	22.5	22.5	0.63	2.33	48.24	2.15	1.86	2.15
4th	71.33	259.56	1.36	3.87	1.79	5.11	1.97	110.40	97.90	110.32	21.6	19.2	21.6	0.63	2.40	46.97	2.45	2.17	2.18
1968																			
1st	70.32	270.92	1.31	4.32	1.54	5.62	2.07	106.10	92.38	92.63	18.9	16.4	16.5	0.64	2.48	44.13	2.68	2.34	2.68
2nd	68.48	273.38	1.70	5.39	1.81	6.47	2.37	103.61	91.68	96.69	16.0	14.2	14.9	0.63	2.53	39.10	2.76	2.44	2.62
3rd	67.55	277.68	1.18	5.55	1.48	6.62	2.38	99.35	87.92	92.55	15.0	13.3	14.0	0.63	2.53	38.22	2.88	2.55	2.73
4th	70.34	278.69	1.46	5.65	1.83	6.66	2.41	99.51	91.96	94.87	14.9	13.8	14.2	0.65	2.55	38.29	2.77	2.56	2.69
1969																			
1st	64.56	270.93	1.53	5.87	1.63	6.75	2.49	96.01	84.84	85.18	14.2	12.6	12.6	0.66	2.57	38.07	3.03	2.68	3.02
2nd	R62.41	264.86	.....	.....	1.07	6.01	2.27	83.57	66.65	69.84	13.9	11.1	11.6	0.66	2.60	43.26	3.90	3.11	3.73
3rd	.....	.....	.....	.....	.....	.....	.....	69.23	55.87	55.87	11.5	9.3	9.3	0.61	2.58	42.93	4.62	3.73	4.62
1969	*Earnings E5.26 (1968-6.66)*							*-21.0%*		*55.87*			*10.6*		*2.46*				*4.40*

AIR TRANSPORT

Quarter	Sales Qtr'ly	Sales 4 Qtrs. Total	Taxes Qtr'ly	Taxes 4 Qtrs. Total	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Earnings % of Sales	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price/Earn. Ratio High	Ratio Low	Ratio Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn.	Yield % High	Yield % Low	Yield % Close
1966																			
3rd	26.54	114.40	1.09	3.73	1.74	6.38	5.58	135.41	87.93	92.70	21.2	13.8	14.5	0.38	1.42	22.26	1.61	1.05	1.53
4th	30.10	116.49	0.80	3.92	1.45	6.62	5.68	114.14	84.93	109.35	17.2	12.8	16.5	0.40	1.50	22.66	1.77	1.31	1.37
1967																			
1st	29.64	118.93	0.26	3.85	0.53	6.47	5.44	141.92	108.14	134.66	21.9	16.7	20.8	0.40	1.57	24.27	1.45	1.11	1.17
2nd	32.50	118.78	0.86	3.01	2.36	6.08	5.12	143.23	121.03	121.03	23.0	19.9	19.9	0.43	1.60	26.32	1.32	1.12	1.32
3rd	35.64	127.88	1.51	3.43	3.62	7.96	6.22	134.33	112.67	114.24	16.9	14.2	14.4	0.44	1.66	20.85	1.47	1.24	1.48
4th	30.66	128.44	0.29	2.92	0.92	7.43	5.78	111.00	98.20	104.15	14.9	12.9	14.0	0.44	1.70	22.88	1.77	1.53	1.63
1968																			
1st	28.45	127.25	0.09	2.75	d0.09	6.81	5.35	95.84	72.74	72.74	14.1	10.7	10.7	0.42	1.72	25.26	2.36	1.79	2.36
2nd	32.47	127.22	0.82	2.71	1.78	6.23	4.90	86.09	75.57	79.03	13.8	12.1	12.7	0.42	1.72	27.61	2.20	2.00	2.18
3rd	35.06	126.64	1.06	2.28	2.27	4.88	3.85	88.63	74.86	88.63	18.2	15.3	18.2	0.42	1.70	34.84	2.27	1.92	1.92
4th	32.05	126.03	0.03	2.02	0.10	4.06	3.17	97.34	86.50	93.87	24.0	21.3	23.1	0.43	1.69	41.63	1.95	1.74	1.80
1969																			
1st	31.13	130.71	cr0.16	1.77	d0.70	3.45	2.64	98.16	82.56	83.46	28.5	23.9	24.2	0.43	1.69	48.99	2.05	1.72	2.02
2nd	36.98	135.22	0.39	1.34	1.12	2.22	1.69	80.22	77.73	77.73	30.6	27.6	27.6	0.43	1.70	60.28	2.10	1.97	2.19
3rd	.....	.....	.....	.....	.....	.....	.....	79.46	59.03	64.25	28.2	20.9	22.8	0.25	1.53	54.26	2.59	1.93	2.38
1969	*Earnings E3.16 (1968-4.63)*							*-21.0%*		*64.25*			*20.3*		*1.00*				*1.56*

Uniform Footnote Explanations—See Page 3.

STANDARD & POOR'S CORPORATION

THE ANALYSTS HANDBOOK FEBRUARY 1972

Per Share Data—Adjusted to stock price index level. Average of stock price indexes, 1941-1943 equals 10.

425 INDUSTRIALS

Quarter	Sales Qtr'ly	Sales 4 Qtrs. Total	Taxes Qtr'ly	Taxes 4 Qtrs. Total	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Earnings % of Sales	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price/Earn. Ratio High	Price/Earn. Ratio Low	Price/Earn. Ratio Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn.	Yields % High	Yields % Low	Yields % Close
1969																			
1st	26.64	108.14	1.36	5.45	1.51	6.23	5.87	113.19	108.36	110.91	18.2	17.1	17.8	0.79	3.21	51.52	3.02	2.84	2.89
2nd	27.73	107.60	1.44	5.45	1.58	6.25	5.80	116.24	105.44	107.06	18.6	16.9	17.1	0.81	3.24	51.84	3.07	2.79	2.83
3rd	27.65	109.91	1.23	5.44	1.48	6.30	5.73	109.30	97.75	102.49	17.3	15.5	16.3	0.79	3.26	51.75	3.34	2.98	3.18
4th	29.93	111.95	1.36	5.39	1.60	6.17	5.51	108.12	96.30	101.49	17.5	15.9	16.4	0.86	3.27	53.00	3.32	3.02	3.22
1970																			
1st	27.70	113.01	.....	.....	1.34	6.00	5.31	102.87	93.44	98.05	17.1	15.8	16.3	0.81	3.29	54.83	3.52	3.30	3.36
2nd	28.93	114.21	.....	.....	1.46	5.89	5.15	98.55	75.58	79.69	16.8	12.9	13.6	0.81	3.29	55.95	4.35	3.34	4.13
3rd	29.12	114.68	.....	.....	1.31	5.71	4.98	92.68	78.07	82.57	16.2	13.7	16.2	0.81	3.31	57.97	4.26	3.57	3.56
4th	29.88	114.41	.....	.....	1.25	5.36	4.68	101.09	80.68	100.90	18.9	17.0	18.8	0.81	3.24	60.45	3.57	3.21	3.21
1971																			
1st	29.19	115.90	.....	.....	1.40	5.42	4.68	111.40	99.74	110.42	20.8	18.6	20.6	0.77	3.20	59.04	3.21	2.87	2.90
2nd	30.93	117.90	.....	.....	1.58	5.52	4.68	115.84	107.79	109.95	21.0	19.5	19.9	0.81	3.20	57.97	2.97	2.76	2.91
3rd	29.98	119.76	.....	.....	1.40	5.61	4.68	112.00	102.99	108.77	20.0	18.4	19.4	0.80	3.10	56.86	3.10	2.85	2.93
4th	.....	.....	.....	.....	.....	.....	.....	113.00	99.36	112.72	20.1	17.7	20.1	0.80	3.19	56.68	3.20	2.81	2.82
1972																			
1st	.....	.....	.....	.....	.....	.....	.....	116.03	112.19	116.03	20.7	20.0	20.7	.....	.....	.....	2.83	2.74	2.74
*1971 Earnings *E6.02 (1970-A5.39)*								*+11.7%**		*116.03*			*19.3*		*3.15*				*2.71*

RAILROADS

Quarter	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Taxes Qtr'ly	Taxes 4 Qtrs. Total	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price Earnings Ratio High	Ratio Low	Ratio Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn	Yields % High	Yields % Low	Yields % Close
1969																
1st	0.71	3.76	.....	.....	58.96	49.34	50.58	15.1	13.1	13.5	0.56	2.24	59.57	4.54	3.93	4.43
2nd	1.07	3.82	.....	.....	50.91	44.48	44.87	13.3	11.6	11.7	0.56	2.23	58.90	5.06	4.42	5.01
3rd	0.82	3.84	.....	.....	45.06	40.57	41.92	11.7	10.6	10.9	0.58	2.26	58.85	5.57	5.02	5.39
4th	0.83	3.43	.....	.....	42.42	35.26	37.16	12.4	10.3	10.8	0.51	2.10	63.85	6.21	5.16	5.89
1970																
†1st	0.38	3.10	0.56	3.20	38.94	36.02	36.99	11.9	11.0	11.3	0.49	2.12	64.63	5.99	5.44	5.73
†2nd	0.28	2.31	0.87	3.08	37.42	25.22	25.22	12.1	8.2	8.2	0.54	2.10	68.18	8.33	5.81	8.33
†3rd	0.21	1.70	0.68	2.84	31.93	24.65	31.93	10.9	8.4	10.9	0.45	1.97	67.01	7.99	6.17	6.17
†4th	0.15	1.02	0.85	2.96	35.40	30.15	35.40	12.0	10.2	12.0	0.54	2.00	67.57	6.63	5.65	5.65
1971																
†1st	0.57	1.21	0.68	3.06	40.39	35.03	39.57	13.1	11.4	12.8	0.41	1.98	62.34	5.48	4.75	4.85
†2nd	P0.90	1.83	1.01	3.22	44.06	40.13	41.97	13.7	12.5	13.0	0.53	1.91	59.32	4.76	4.33	4.55
†3rd	P0.14	1.76	0.84	3.18	46.32	40.02	45.79	15.1	12.6	14.4	0.40	1.88	59.12	4.70	3.89	4.11
4th	.....	.....	.....	.....	46.78	38.51	44.61	14.7	12.1	14.0	0.49	1.83	57.55	4.75	3.91	4.10
1972																
1st	.....	.....	.....	.....	46.22	44.46	45.68	14.5	14.0	14.4	.....	.....	.....	4.12	3.96	4.01
1971 Earnings E1.90 (1970-A1.02) +86.3%							*45.68*			*24.0*			*1.84*			*4.03*

PUBLIC UTILITIES

Quarter	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price Earnings Ratio High	Ratio Low	Ratio Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn.	Yields % High	Yields % Low	Yields % Close
1969														
1st	1.48	4.29	70.74	65.48	65.71	16.1	14.9	15.0	0.76	3.01	68.56	4.60	4.26	4.58
2nd	1.06	4.48	67.84	61.38	62.40	15.1	13.7	13.9	0.77	3.04	67.80	4.95	4.48	4.87
3rd	0.98	4.54	62.73	56.48	56.48	13.8	12.4	12.4	0.77	3.06	67.40	5.42	4.88	5.42
4th	1.11	4.61	61.59	54.33	56.00	13.4	11.8	12.2	0.78	3.08	66.81	5.67	5.00	5.49
1970														
1st	1.34	4.67	60.37	53.89	59.74	12.9	11.4	12.8	0.79	3.11	66.80	5.84	5.15	5.21
2nd	1.05	4.68	58.88	47.87	47.87	12.8	10.3	10.2	0.79	3.13	66.88	6.57	5.23	6.57
3rd	0.95	4.65	54.94	47.09	53.91	11.8	10.3	11.6	0.79	3.15	67.74	6.81	5.73	5.84
4th	1.11	4.65	61.71	52.74	61.71	13.3	11.3	13.3	0.80	3.17	68.17	6.01	5.14	5.14
1971														
1st	1.00	4.71	64.81	60.95	62.77	13.8	12.9	13.3	0.81	3.19	67.73	5.23	4.92	5.08
2nd	1.07	4.73	62.75	57.35	59.96	13.3	12.1	12.7	0.81	3.21	67.86	5.60	5.12	5.35
3rd	1.04	4.82	60.92	55.38	55.53	12.6	11.5	11.5	0.81	3.23	67.01	5.83	5.30	5.82
4th	.....	.....	59.83	54.48	59.63	12.4	11.3	12.1	0.82	3.25	67.43	5.97	5.43	5.43
1972														
†1st	.....	.....	61.20	58.34	58.34	12.7	12.1	12.1	.....	.....	.....	5.57	5.31	5.57
1971 Earnings E4.87 (1970-A4.61) +5.6%					*58.34*			*12.0*		*3.27*				*5.61*

†Incl. 6 months surtax charge. Uniform Footnote Explanations—see Page 3. †Due to the large write-offs and net deficits of many railroads, we are showing two earnings series. Our usual method deducts deficits. In our new series, starting in 1970, we are holding deficits at zero. Price earnings Ratios are computed on this new series until further notice. *Change in 1971 earnings reflects anticipated rebound in earnings of General Motors from the strike depressed 1970 level.

Per Share Data—Adjusted to stock price index level. Average of stock price indexes, 1941-1943 equals 10.

COMPOSITE - 500 STOCKS

Quarter	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price/Earnings Ratios High	Ratios Low	Ratios Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn.	Yields % High	Yields % Low	Yields % Close
1969														
1st	1.45	5.82	103.99	97.90	101.51	17.9	16.8	17.4	0.77	3.10	53.26	3.16	2.88	3.05
2nd	1.47	5.84	108.16	96.23	97.71	18.2	16.5	16.7	0.78	3.13	53.60	3.25	2.95	3.20
3rd	1.37	5.89	99.61	89.48	93.12	16.9	15.2	15.8	0.77	3.15	53.48	3.57	3.16	3.38
4th	1.40	5.78	98.33	89.20	92.06	17.0	15.4	15.9	0.84	3.16	54.67	3.54	3.21	3.43
1970														
1st	1.31	5.84	92.66	85.02	89.63	16.6	15.1	15.9	0.78	3.17	56.21	3.73	3.39	3.54
2nd	1.36	5.52	90.07	69.29	72.72	16.3	12.6	13.2	0.79	3.18	57.61	4.59	3.53	4.37
3rd	1.20	5.35	84.50	71.23	84.21	15.0	13.3	15.7	0.78	3.19	59.83	4.48	3.78	3.79
4th	1.17	5.03	92.27	82.79	92.15	16.3	16.5	18.3	0.79	3.14	62.43	3.79	3.40	3.41
1971														
1st	1.37	5.09	101.21	91.15	100.31	19.9	17.9	19.7	0.75	3.11	61.10	3.41	3.07	3.10
2nd	1.45	5.19	104.77	97.50	99.70	20.2	18.8	19.2	0.78	3.10	59.73	3.18	2.96	3.11
3rd	1.28	5.27	101.34	93.53	98.34	19.2	17.7	18.7	0.77	3.09	58.63	3.30	3.05	3.14
4th	.....	.....	102.21	90.16	102.09	19.4	17.1	19.4	0.77	3.07	58.25	3.41	3.00	3.01
1972														
1st	.....	.....	104.68	101.67	104.68	19.9	19.3	19.9	.....	.....	.....	3.02	2.93	3.13
*19 1 Earnings *E5.63 (1970-A5.06) +11.3%**					*104.68*			*18.6*		*3.07*				*2.93*

AEROSPACE

Quarter	Sales Qtr'ly	Sales 4 Qtrs. Total	Taxes Qtr'ly	Taxes 4 Qtrs. Total	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Earnings % of Sales	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price/Earn. Ratio High	Ratio Low	Ratio Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn.	Yield % High	Yield % Low	Yield % Close
1969																			
1st	74.98	270.93	1.53	5.87	1.63	6.75	2.49	96.01	84.94	85.18	14.3	12.6	12.6	0.66	2.97	38.07	3.03	2.80	3.02
2nd	62.41	264.66	1.05	5.22	1.07	6.01	2.27	83.57	66.65	69.04	13.0	11.1	11.6	0.66	2.60	43.26	3.90	3.11	3.73
3rd	61.74	259.05	1.13	5.17	1.33	5.85	2.26	69.23	55.87	55.87	11.8	9.6	9.6	0.61	2.58	44.10	4.62	3.73	4.62
4th	76.12	264.83	cr0.07	5.04	40.01	4.01	1.51	61.04	51.60	51.60	15.3	12.9	12.9	0.61	2.54	63.34	4.92	4.16	4.92
1970																			
1st	72.71	262.98	.....	.....	1.13	3.50	1.33	53.90	42.17	43.00	15.4	12.0	12.3	0.44	2.32	66.29	5.50	4.30	5.40
2nd	69.26	269.63	.....	.....	1.28	3.71	1.37	42.92	29.95	29.95	11.6	8.1	8.1	0.43	2.00	56.33	6.98	4.67	6.98
3rd	61.59	269.68	.....	.....	1.07	3.46	1.28	39.63	29.86	39.63	11.5	8.6	11.5	0.39	1.87	54.05	6.26	4.72	4.72
4th	65.68	259.44	.....	.....	40.81	2.66	1.03	40.60	33.96	39.40	15.3	12.8	14.8	0.38	1.84	61.65	4.83	4.04	4.16
1971																			
1st	79.77	256.50	.....	.....	1.02	2.96	1.00	55.17	41.85	53.43	21.6	16.3	20.9	0.38	1.58	61.72	3.78	2.86	2.96
2nd	69.79	257.03	.....	.....	1.13	3.41	0.94	56.06	53.03	53.66	24.1	22.0	22.3	0.38	1.52	63.49	3.89	2.64	2.85
3rd	53.33	248.77	.....	.....	1.03	2.37	0.95	52.76	44.73	46.72	22.5	18.9	19.7	0.40	1.54	64.96	3.44	2.92	3.30
4th	.....	.....	.....	.....	.....	.....	.....	50.62	41.77	50.62	21.4	17.6	21.4	0.40	1.56	65.82	3.73	3.08	3.08
1972																			
1st	.....	.....	.....	.....	.....	.....	.....	59.88	56.33	59.88	25.3	23.8	25.2	.....	.....	.....	3.77	2.81	2.81
19 1 Earnings E2.48 (1970-A2.69)							*-7.8%*		*59.88*			*24.1*			*1.60*				*2.68*

AIR TRANSPORT

Quarter	Sales Qtr'ly	Sales 4 Qtrs. Total	Taxes Qtr'ly	Taxes 4 Qtrs. Total	Earnings Qtr'ly	Earnings 4 Qtrs. Total	Earnings % of Sales	Prices 1941-1943 = 10 High	Prices Low	Prices Close	Price/Earn. Ratio High	Ratio Low	Ratio Close	Dividends Qtr'ly	Dividends 4 Qtrs. Total	Dividends % of Earn.	Yield % High	Yield % Low	Yield % Close
1969																			
1st	31.13	130.71	cr0.16	1.77	40.70	3.45	2.64	98.16	82.56	83.46	20.5	23.9	24.2	0.42	1.60	46.99	2.05	1.72	2.02
2nd	36.98	135.23	0.39	1.34	1.18	3.82	2.00	86.20	77.73	77.73	30.6	27.6	27.6	0.43	1.70	60.28	2.19	1.97	2.19
3rd	40.08	140.22	1.33	1.90	2.19	2.74	1.95	79.46	59.08	64.25	29.0	21.9	23.4	0.25	1.53	55.84	2.58	1.93	2.38
4th	35.90	144.16	0.78	2.34	0.13	2.77	1.92	72.79	58.02	58.23	26.3	20.9	21.4	0.25	1.35	48.76	2.33	1.85	2.38
1970																			
1st	35.23	148.38	.....	.....	61.29	2.18	1.47	61.07	49.39	56.83	26.3	22.7	26.1	0.25	1.18	54.12	2.29	1.91	2.08
2nd	38.02	150.30	.....	.....	0.34	1.87	0.84	57.34	38.34	38.34	45.1	30.3	30.3	0.25	1.00	78.74	3.61	1.79	3.61
3rd	42.66	152.90	.....	.....	1.01	0.09	0.06	51.09	36.50	51.09	867.7	406.8	867.7	0.27	1.02	1133.33	2.79	2.00	2.00
4th	36.26	153.17	.....	.....	43.19	43.23	.....	54.46	44.03	53.29	.....	.....	.....	0.16	0.83	.....	2.11	1.71	1.75
1971																			
1st	35.83	153.77	.....	.....	42.64	44.56	.....	70.81	56.46	68.39	.....	.....	.....	0.14	0.82	.....	1.45	1.16	1.20
2nd	36.76	151.53	.....	.....	0.31	44.51	.....	89.80	69.69	69.69	.....	.....	.....	0.14	0.71	.....	1.02	0.79	1.03
3rd	40.70	149.57	.....	.....	2.32	43.20	.....	79.30	62.28	76.63	.....	.....	.....	0.05	0.49	.....	0.79	0.62	0.64
4th	.....	.....	.....	.....	.....	.....	.....	92.15	74.34	88.92	.....	.....	.....	0.05	0.36	.....	0.51	0.41	0.43
1972																			
1st	.....	.....	.....	.....	.....	.....	.....	97.40	90.17	97.40	.....	.....	.....	.....	.....	.....	0.42	0.39	0.39
191 Earnings E0.23 (1970-A2.81)								.....		*97.40*			.....		*0.19*				*0.39*

Uniform Footnote Explanations—See Page 3.

*Change in 1971 earnings reflects anticipated rebound in earnings of General Motors from the strike depressed 1970 level.

EXHIBIT 11

INVESTMENT LETTER COMMON STOCK PURCHASED BY SMC INVESTMENT CORPORATION

Issuer	No. of Shares Purchased	Acquisition Date	Market Value of Equivalent Unrestricted Securities on Date of Oral Understanding	Cost	Discount
Arcs Industries, Inc.	50,000	3/17/69	1,012,500	900,000	11.1%
Arnav Industries, Inc.	180,000	12/23/68	3,420,000	2,578,500	24.6%
Bankers United Management Corp.	75,000	2/14/69	721,875	487,500	32.4%
The Computer Exchange, Inc.	175,000	2/4/69	2,625,000	1,425,000	45.7%
Jewelcor, Inc.	80,000	6/11/69	660,000	435,000	34.1%
North Amer. Data Systems, Inc.	210,000	1/31/69	2,992,500	1,848,000	38.2%
Soundscriber Corp.	200,000	5/27/69	1,600,000	800,000	50.0%
Trans-Coast Investment Company	676,134	12/31/68	4,225,000	3,250,000	23.1%
Union Fidelity Corp.	150,000	11/29/68	1,412,500	1,350,000	4.4%
Welded Tube Company of America	107,125	4/23/69	1,285,500	857,000	33.3%
TOTAL			19,954,875	15,131,000	24.1%

SOURCE: SMC Investment Corporation Annual Report for the year ended September 30, 1970.

EXHIBIT 12

INVESTMENT LETTER COMMON STOCK PURCHASED BY PRICE CAPITAL CORPORATION

Issuer	No. of Shares Purchased	% of Voting Securities	Acquisition Date	Market Value of Equivalent Unrestricted Securities on Date of Oral Understanding	Cost	Discount
ll Television, c.	20,000	1.0%	10/22/69	325,000	170,000	47.7%
o-Medical iences, Inc.	33,910	4.8%	4/29/70	949,480	673,961	29.1%
ildcraft ucation Corp.	30,000	13.0%	12/17/69	510,000	300,000	41.2%
wne mmunications, Inc.	32,500	1.0%	4/10/70	276,250	233,858	15.2%
ansogram mpany, Inc.	100,000	5.0%	4/3/70	1,400,000	938,950	30.7%
TOTAL				3,460,730	2,316,796	33.1%

SOURCE: Price Capital Corporation Annual Report for the year ended December 31, 1970.

EXHIBIT 13

CORPORATE PROFITS AND FINANCE

TABLE C-71.—*Profits before and after taxes, all private corporations, 1929–69*

[Billions of dollars]

Year or quarter	Corporate profits (before taxes) and inventory valuation adjustment						Corporate profits before taxes	Corporate tax liability [1]	Corporate profits after taxes			Corporate capital consumption allowances [2]	Profits plus capital consumption allowances [3]
	All industries	Manufacturing			Transportation, communication, and public utilities	All other industries			Total	Dividend payments	Undistributed profits		
		Total	Durable goods industries	Nondurable goods industries									
1929	10.5	5.2	2.6	2.6	1.8	3.4	10.0	1.4	8.6	5.8	2.8	4.2	12.8
1930	7.0	3.9	1.5	2.4	1.2	1.9	3.7	.8	2.9	5.5	−2.6	4.3	7.2
1931	2.0	1.3	.0	1.3	.5	.2	−.4	.5	−.9	4.1	−4.9	4.3	3.5
1932	−1.3	−.5	−1.0	.5	.2	−.9	−2.3	.4	−2.7	2.5	−5.2	4.0	1.3
1933	−1.2	−.4	−.4	.0	.0	−.8	1.0	.5	.4	2.0	−1.6	3.8	4.2
1934	1.7	1.1	.3	.8	.4	.3	2.3	.7	1.6	2.6	−1.0	3.6	5.2
1935	3.4	2.1	.9	1.1	.4	.9	3.6	1.0	2.6	2.8	−.2	3.6	6.3
1936	5.6	3.2	1.7	1.5	.7	1.7	6.3	1.4	4.9	4.5	.4	3.6	8.5
1937	6.8	3.8	1.7	2.1	.8	2.2	6.8	1.5	5.3	4.7	.6	3.6	8.9
1938	4.9	2.3	.8	1.6	.5	2.1	4.0	1.0	2.9	3.2	−.2	3.7	6.6
1939	6.3	3.3	1.7	1.7	1.0	2.0	7.0	1.4	5.6	3.8	1.8	3.7	9.3
1940	9.8	5.5	3.1	2.4	1.3	3.0	10.0	2.8	7.2	4.0	3.2	3.8	11.0
1941	15.2	9.5	6.4	3.1	2.0	3.7	17.7	7.6	10.1	4.4	5.7	4.2	14.4
1942	20.3	11.8	7.2	4.6	3.4	5.1	21.5	11.4	10.1	4.3	5.9	5.0	15.2
1943	24.4	13.8	8.1	5.7	4.4	6.2	25.1	14.1	11.1	4.4	6.6	5.4	16.4
1944	23.8	13.2	7.4	5.9	3.9	6.7	24.1	12.9	11.2	4.6	6.5	6.1	17.2
1945	19.2	9.7	4.5	5.2	2.7	6.7	19.7	10.7	9.0	4.6	4.4	6.4	15.4
1946	19.3	9.0	2.4	6.6	1.8	8.5	24.6	9.1	15.5	5.6	9.9	4.7	20.2
1947	25.6	13.6	5.8	7.8	2.2	9.9	31.5	11.3	20.2	6.3	13.9	5.8	26.0
1948	33.0	17.6	7.5	10.0	3.0	12.5	35.2	12.5	22.7	7.0	15.6	7.0	29.7
1949	30.8	16.2	8.1	8.1	3.0	11.6	28.9	10.4	18.5	7.2	11.3	7.9	26.5
1950	37.7	20.9	12.0	8.9	4.0	12.7	42.6	17.8	24.9	8.8	16.0	8.8	33.7
1951	42.7	24.6	13.2	11.4	4.6	13.5	43.9	22.3	21.6	8.6	13.0	10.3	31.8
1952	39.9	21.6	11.7	9.9	4.9	13.3	38.9	19.4	19.6	8.6	11.0	11.5	31.0
1953	39.6	22.0	11.9	10.1	5.0	12.6	40.6	20.3	20.4	8.9	11.5	13.2	33.5
1954	38.0	19.9	10.5	9.4	4.7	13.4	38.3	17.7	20.6	9.3	11.3	13.0	33.5
1955	46.9	26.0	14.3	11.8	5.6	15.2	48.6	21.6	27.0	10.5	16.5	17.4	44.4
1956	46.1	24.7	12.8	11.9	5.9	15.6	48.8	21.7	27.2	11.3	15.9	18.9	46.1
1957	45.6	24.0	13.3	10.7	5.8	15.8	47.2	21.2	26.0	11.7	14.2	20.8	46.8
1958	41.1	19.3	9.3	10.0	5.9	15.9	41.4	19.0	22.3	11.6	10.8	22.0	44.3
1959	51.7	26.3	13.6	12.7	7.0	18.4	52.1	23.7	28.5	12.6	15.9	23.5	52.0
1960	49.9	24.4	12.0	12.4	7.5	17.9	49.7	23.0	26.7	13.4	13.2	24.9	51.6
1961	50.3	23.3	11.4	11.9	7.9	19.1	50.3	23.1	27.2	13.8	13.5	26.2	53.5
1962	55.7	26.6	14.1	12.5	8.5	20.5	55.4	24.2	31.2	15.2	16.0	30.1	61.3
1963	58.9	28.8	15.8	13.0	9.5	20.6	59.4	26.3	33.1	16.5	16.6	31.8	64.8
1964	66.3	32.7	17.8	14.9	10.1	23.5	66.8	28.3	38.4	17.8	20.6	33.9	72.3
1965	76.1	39.3	22.8	16.6	11.1	25.6	77.8	31.3	46.5	19.8	26.7	36.4	82.9
1966	82.4	42.6	24.0	18.6	11.9	27.9	84.2	34.3	49.9	20.8	29.1	39.5	89.5
1967	79.2	39.0	20.9	18.1	10.8	29.4	80.3	33.0	47.3	21.5	25.9	42.6	90.0
1968	87.9	44.4	24.5	19.9	11.6	31.9	91.1	41.3	49.8	23.1	26.7	45.9	95.7
1969 p	88.7	44.0	23.7	20.2	11.9	32.9	94.3	43.5	50.8	24.6	26.3	49.1	99.9
	Seasonally adjusted annual rates												
1967: I	78.3	39.2	21.0	18.2	10.9	28.2	78.4	32.3	46.1	21.1	24.9	41.5	87.5
II	78.3	38.8	20.8	17.9	10.7	28.8	79.1	32.6	46.4	21.7	24.8	42.2	88.6
III	79.1	38.3	20.4	18.0	10.8	30.1	79.5	32.5	47.0	22.0	25.0	43.0	90.0
IV	81.1	39.5	21.2	18.3	10.9	30.7	84.4	34.5	49.9	21.1	28.8	43.8	93.7
1968: I	82.5	41.1	22.0	19.1	11.3	30.1	87.9	39.9	47.9	22.2	25.7	44.8	92.8
II	88.2	44.9	25.1	19.8	11.5	31.8	90.7	41.1	49.7	22.9	26.7	45.8	95.5
III	90.6	45.4	25.0	20.4	12.0	33.1	91.5	41.4	50.0	23.6	26.5	46.2	96.3
IV	90.3	46.2	25.8	20.4	11.6	32.6	94.5	42.9	51.6	23.8	27.8	46.7	98.4
1969: I	89.5	45.1	24.7	20.3	11.8	32.6	95.5	43.9	51.7	23.8	27.9	47.7	99.4
II	89.2	44.9	23.9	21.0	11.7	32.6	95.4	44.1	51.3	24.3	27.0	48.6	100.0
III	88.8	43.8	23.8	20.0	11.9	33.1	92.5	42.8	49.7	24.9	24.9	49.6	99.3
IV p	------	------	------	------	------	------	------	------	------	25.2	------	50.5	------

[1] Federal and State corporate income and excess profits taxes.
[2] Includes depreciation and accidental damages.
[3] Corporate profits after taxes plus corporate capital consumption allowances.

Note.—Corporate profits tax and related items for 1969 reflect repeal of investment tax credit.

Source: Department of Commerce, Office of Business Economics.

TABLE C-72.—*Sales, profits, and stockholders' equity, all manufacturing corporations (except newspapers[1]), 1947–69*

[Billions of dollars]

Year or quarter	All manufacturing corporations				Durable goods industries				Nondurable goods industries			
	Sales (net)	Profits		Stockholders' equity [2]	Sales (net)	Profits		Stockholders' equity [2]	Sales (net)	Profits		Stockholders' equity [2]
		Before taxes	After taxes			Before taxes	After taxes			Before taxes	After taxes	
1947	150.7	16.6	10.1	65.1	66.6	7.6	4.5	31.1	84.1	9.0	5.6	34.0
1948	165.6	18.4	11.5	72.2	75.3	8.9	5.4	34.1	90.4	9.5	6.2	38.1
1949	154.9	14.4	9.0	77.6	70.3	7.5	4.5	37.0	84.6	7.0	4.6	40.6
1950	181.9	23.2	12.9	83.3	86.8	12.9	6.7	39.9	95.1	10.3	6.1	43.5
1951	245.0	27.4	11.9	98.3	116.8	15.4	6.1	47.2	128.1	12.1	5.7	51.1
1952	250.2	22.9	10.7	103.7	122.0	12.9	5.5	49.8	128.0	10.0	5.2	53.9
1953	265.9	24.4	11.3	108.2	137.9	14.0	5.8	52.4	128.0	10.4	5.5	55.7
1954	248.5	20.9	11.2	113.1	122.8	11.4	5.6	54.9	125.7	9.6	5.6	58.2
1955	278.4	28.6	15.1	120.1	142.1	16.5	8.1	58.8	136.3	12.1	7.0	61.3
1956	307.3	29.8	16.2	131.6	159.5	16.5	8.3	65.2	147.8	13.2	7.8	66.4
1957	320.0	28.2	15.4	141.1	166.0	15.8	7.9	70.5	154.1	12.4	7.5	70.6
1958	305.3	22.7	12.7	147.4	148.6	11.4	5.8	72.8	156.7	11.3	6.9	74.6
1959	338.0	29.7	16.3	157.1	169.4	15.8	8.1	77.9	168.5	13.9	8.3	79.2
1960	345.7	27.5	15.2	165.4	173.9	14.0	7.0	82.3	171.8	13.5	8.2	83.1
1961	356.4	27.5	15.3	172.6	175.2	13.6	6.9	84.9	181.2	13.9	8.5	87.7
1962	389.9	31.9	17.7	181.4	195.5	16.7	8.6	89.1	194.4	15.1	9.2	92.3
1963	412.7	34.9	19.5	189.7	209.0	18.5	9.5	93.3	203.6	16.4	10.0	96.3
1964	443.1	39.6	23.2	199.8	226.3	21.2	11.6	98.5	216.8	18.3	11.6	101.3
1965	492.2	46.5	27.5	211.7	257.0	26.2	14.5	105.4	235.2	20.3	13.0	106.3
1966	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1967	575.4	47.8	29.0	247.6	300.6	25.7	14.6	125.0	274.8	22.0	14.4	122.6
1968	631.9	55.4	32.1	265.9	335.5	30.7	16.5	135.6	296.4	24.7	15.5	130.3
1967: I	137.0	11.4	6.7	240.9	71.1	6.2	3.4	121.6	65.9	5.2	3.3	119.3
II	145.1	12.6	7.6	245.6	77.0	7.2	4.1	123.7	68.2	5.4	3.5	121.8
III	141.5	11.0	6.7	249.7	72.6	5.4	3.1	126.0	68.9	5.6	3.6	123.6
IV	151.8	12.8	7.9	254.3	80.0	7.0	4.0	128.6	71.8	5.9	3.9	125.7
1968: I	148.9	12.5	7.4	258.6	78.8	6.7	3.7	130.9	70.1	5.8	3.7	127.7
II	158.9	14.8	8.3	263.4	86.0	8.6	4.5	134.1	72.9	6.2	3.8	129.4
III	155.7	13.2	7.6	268.4	81.0	6.8	3.7	137.2	74.8	6.4	4.0	131.2
IV	168.4	14.9	8.7	273.2	89.8	8.6	4.7	140.4	78.6	6.3	4.1	132.9
1969: I [3]	162.8	14.1	7.9	281.5	86.0	7.8	4.1	143.4	76.8	6.3	3.8	138.0
II [3]	176.1	15.8	8.9	288.0	94.2	8.9	4.7	146.8	81.9	6.9	4.2	141.2
III [3]	172.4	13.9	8.0	293.0	89.8	7.1	3.8	148.9	82.7	6.8	4.2	144.1

[1] Includes newspapers beginning 1969.
[2] Annual data are average equity for the year (using four end-of-quarter figures).

Note.—For explanatory notes concerning compilation of the series, see "Quarterly Financial Report for Manufacturing Corporations," Federal Trade Commission and Securities and Exchange Commission.
Data are not necessarily comparable from one period to another due to changes in accounting procedures, industry classifications, sampling procedures, etc. Specific information about the effects of the more significant changes and revisions is contained in the following issues of the "Quarterly Financial Report": third quarter 1953, third quarter 1956, first quarter 1959, and first quarter 1965.

Sources: Federal Trade Commission and Securities and Exchange Commission.

TABLE C-73.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations (except newspapers[1]), by industry group, 1948–69*

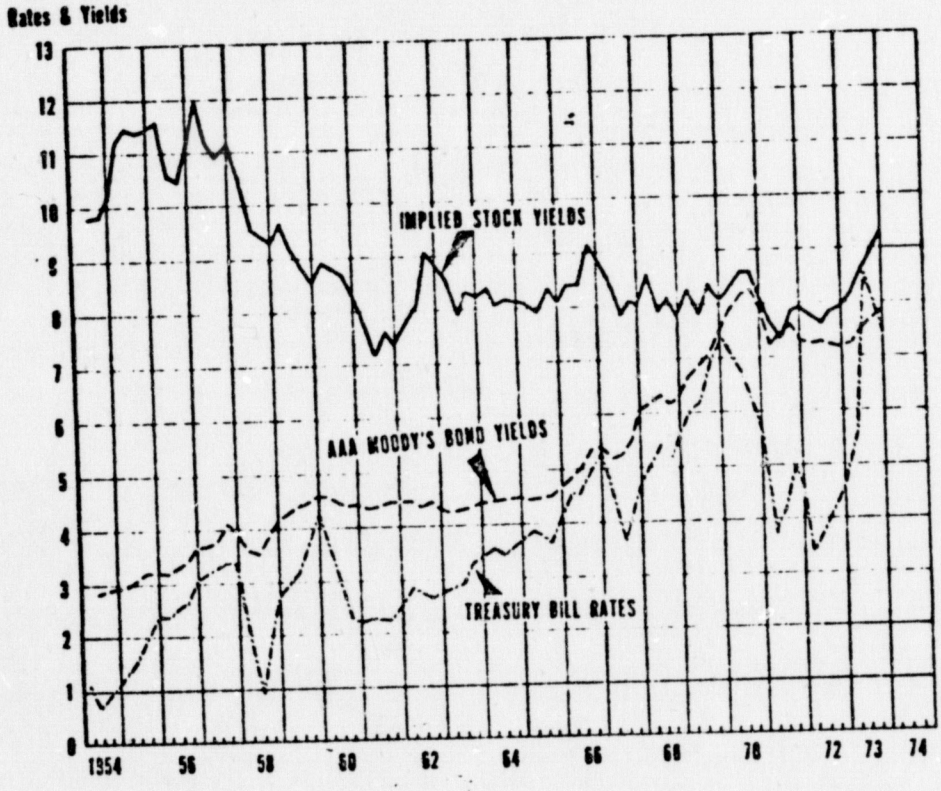
Year or quarter	All manufacturing corporations (except newspapers[1])	Durable goods industries													
		Total durable[2]	Motor vehicles and equipment	Aircraft and parts	Electrical machinery, equipment, and supplies	Machinery (except electrical)	Fabricated metal products	Primary iron and steel industries	Primary nonferrous metal industries	Stone, clay, and glass products	Furniture and fixtures	Lumber and wood products (except furniture)	Instruments and related products	Miscellaneous manufacturing (including ordnance)
	Ratio of profits after Federal taxes (annual rate) to stockholders' equity—percent[3]													
1948	16.0	15.7	19.9	.....	16.1	16.3	17.0	14.7	14.2	15.0	15.9	19.2	14.0	12.2
1949	11.6	12.1	22.1	.....	13.6	11.6	10.4	10.0	8.1	13.1	8.1	11.1	12.1	7.2
1950	15.4	16.9	25.3	.....	20.9	14.1	16.0	14.3	15.1	17.7	15.2	17.5	16.7	12.3
1951	12.1	13.0	14.3	.....	14.0	13.0	13.4	12.3	13.8	14.2	11.3	11.5	13.2	9.7
1952	10.3	11.1	13.9	.....	13.7	11.3	10.1	8.5	11.6	11.7	8.6	8.5	11.6	7.0
1953	10.5	11.1	13.9	.....	13.1	9.8	9.8	10.7	11.1	11.8	8.2	7.1	11.4	8.2
1954	9.9	10.3	14.1	.....	12.4	8.6	7.6	8.1	10.4	12.5	6.0	6.3	12.3	7.5
1955	12.6	13.8	21.7	.....	12.3	10.3	10.0	13.5	15.5	15.6	9.2	11.1	12.5	8.5
1956	12.3	12.8	13.1	.....	11.4	12.6	10.7	12.7	16.4	14.9	11.6	8.7	12.4	11.6
1957	10.9	11.3	14.2	17.7	12.5	10.7	9.3	11.4	9.3	12.4	8.5	4.7	12.0	7.7
1958	8.6	8.0	8.2	13.2	10.2	6.9	7.3	7.2	6.0	10.2	6.3	5.7	10.6	8.2
1959	10.4	10.4	14.5	8.1	12.5	9.7	8.0	8.0	7.9	12.7	8.9	9.4	13.1	9.3
1960	9.2	8.5	13.5	7.3	9.5	7.5	5.6	7.2	7.1	9.9	6.5	3.6	11.6	9.2
1961	8.9	8.1	11.4	9.8	8.9	7.8	5.9	6.1	7.1	8.9	4.9	4.1	10.6	9.9
1962	9.8	9.6	16.3	12.7	10.0	9.1	7.9	5.4	7.5	8.9	7.9	5.6	12.0	9.4
1963	10.3	10.1	16.7	11.3	10.1	9.6	8.3	7.0	7.6	8.7	8.3	8.2	12.1	8.8
1964	11.6	11.7	16.9	12.2	11.2	12.5	10.1	8.8	9.8	9.6	10.1	9.9	14.4	9.5
1965	13.0	13.8	19.5	15.2	13.5	14.1	13.2	9.8	11.9	10.3	13.4	10.1	17.5	10.7
1966	13.4	14.2	15.9	14.4	14.8	15.0	14.7	10.2	14.8	9.9	14.2	10.0	20.9	15.4
1967	11.7	11.7	11.7	12.9	12.8	12.9	12.7	7.7	10.9	8.2	12.1	8.6	18.0	13.1
1968	12.1	12.2	15.1	14.2	12.2	12.3	11.7	7.6	10.8	9.2	12.2	14.6	16.6	12.4
1968: I	11.5	11.3	16.5	13.6	11.8	11.1	10.0	8.6	8.9	3.9	9.1	10.9	14.1	12.6
II	12.6	13.4	17.9	14.4	11.4	13.6	12.5	10.5	11.5	11.7	12.8	16.1	15.5	9.6
III	11.4	10.7	7.4	14.3	11.5	12.3	12.1	4.5	9.9	12.0	12.5	16.3	18.0	12.2
IV	12.8	13.3	18.5	14.5	13.9	12.1	12.3	6.7	12.6	9.1	14.6	15.1	18.4	15.0
1969: I	11.3	11.4	15.4	12.1	11.2	11.2	10.6	7.4	11.3	4.9	11.0	17.1	13.8	11.3
II[r]	12.4	12.9	14.5	11.0	11.3	14.6	12.5	8.7	12.9	11.9	13.4	18.9	16.0	10.5
III[p]	10.9	10.3	7.2	9.7	11.2	11.7	11.1	6.1	11.5	12.2	13.5	8.6	15.7	11.5
	Profits after taxes per dollar of sales—cents													
1948	7.0	7.1	6.9	.....	5.9	7.3	7.1	7.6	9.0	8.6	5.5	9.9	7.8	5.6
1949	5.8	6.4	7.9	.....	5.7	6.4	5.1	6.5	6.9	8.6	3.3	5.9	7.1	3.6
1950	7.1	7.7	8.3	.....	7.2	7.3	6.8	7.9	10.2	10.1	5.1	9.4	8.6	5.6
1951	4.8	5.3	4.7	.....	5.0	5.5	5.0	5.8	7.8	7.1	3.4	5.5	6.1	3.7
1952	4.3	4.5	4.7	.....	4.5	4.8	4.0	4.7	6.7	6.6	2.7	4.1	4.8	2.7
1953	4.3	4.2	3.9	.....	4.1	4.2	3.6	5.3	6.3	6.5	2.6	3.5	4.6	2.9
1954	4.5	4.6	5.1	.....	4.5	4.4	3.1	5.3	6.6	7.4	2.1	3.4	5.5	2.8
1955	5.4	5.7	6.9	.....	4.4	5.1	3.8	7.2	8.3	8.6	2.9	5.4	6.0	3.1
1956	5.3	5.2	5.2	.....	3.8	5.4	4.0	6.7	9.3	8.2	3.4	3.9	5.8	3.6
1957	4.8	4.8	5.4	2.9	4.2	4.8	3.6	6.6	6.6	7.5	2.6	2.3	5.7	2.5
1958	4.2	3.9	4.0	2.4	3.8	3.7	3.1	5.4	4.7	6.8	2.0	2.8	5.4	3.0
1959	4.8	4.8	6.3	1.6	4.4	4.8	3.2	5.4	5.8	7.9	2.7	4.2	6.5	3.5
1960	4.4	4.0	5.9	1.4	3.5	3.9	2.4	5.1	5.4	6.6	2.1	1.7	5.9	3.5
1961	4.3	3.9	5.5	1.8	3.5	4.1	2.5	4.6	5.3	5.8	1.6	1.9	5.4	3.6
1962	4.5	4.4	6.9	2.4	3.7	4.5	3.1	3.9	5.5	5.6	2.3	2.5	5.9	3.4
1963	4.7	4.5	6.9	2.3	3.8	4.7	3.2	4.8	5.3	5.3	2.4	3.3	6.0	3.3
1964	5.2	5.1	7.0	2.6	4.2	5.8	3.7	5.6	6.5	5.6	2.9	3.9	7.2	3.6
1965	5.6	5.7	7.2	3.3	4.8	6.2	4.5	5.7	7.3	5.9	3.7	4.0	8.6	3.8
1966	5.6	5.6	6.2	3.0	4.8	6.4	4.9	5.8	8.2	5.6	3.9	3.8	9.5	4.9
1967	5.0	4.8	4.9	2.7	4.4	5.7	4.5	4.8	6.8	4.8	3.5	3.4	8.5	4.2
1968	5.1	4.9	5.7	3.2	4.3	5.5	4.1	4.6	6.2	5.2	3.4	5.3	8.1	4.0
1968: I	5.0	4.7	6.1	2.9	4.2	5.1	3.6	5.1	5.4	2.6	2.8	4.4	7.4	4.2
II	5.2	5.2	6.2	3.2	4.1	5.7	4.4	5.5	6.4	6.4	3.6	5.7	7.6	3.1
III	4.9	4.5	3.4	3.4	4.1	5.6	4.2	2.9	5.9	6.3	3.5	5.8	8.7	4.0
IV	5.2	5.2	6.3	3.3	4.7	5.4	4.1	4.6	6.9	4.9	3.8	5.4	8.5	4.4
1969: I	4.9	4.8	5.6	3.5	4.0	5.2	3.8	4.5	6.4	2.9	3.1	6.3	7.3	4.1
II[r]	5.1	5.0	5.2	3.3	3.9	6.1	4.1	4.8	6.8	5.7	3.6	6.6	7.8	3.5
III[p]	4.6	4.3	3.1	3.0	4.0	5.3	3.6	3.6	6.2	5.9	3.8	3.2	8.1	3.8

See footnotes at end of table.

The Investment Environment

The chart below shows the behavior of yields of key investment assets.

STOCK YIELDS & INTEREST RATES



Implied Stock Yield: The total return on the S & P 425 index as implied by its price-to-earnings ratio taking dividends and growth in earnings into account.

After the 1957 - 1958 recession proved not to cause a serious and prolonged interruption in U. S. economic growth, investors in common stock appear to have revised downward sharply their fear of the risks in common stock ownership. This process, which involved a substantial upward reevaluation in multiples, ended in 1961. Since then, stock yields on a total return basis have fluctuated in the 8% - 9% range, well above the yield on high-grade bonds for most of the period.

SOURCE: United States Trust Company.

934

Piper Aircraft Corporation

An Econometric Analysis

Prepared for

Robert Rosenkrantz
of Oppenheimer

U.S. Trust Company
of New York

L.L. Lewis
Thomas W. Synnott, III
Vice President

Table of Contents

Introduction

Explanation of Regression Terms

Table 1	Historical Data
Table 2	Industry Aggregate Forecasts
Table 3	Sales and Earnings Forecasts
Table 4	Historical Growth Rates and Variability
Regression 1	Industry Sales on Producers' Durable Equipment
Regression 2	Industry Sales on Personal Disposable Income and Producers' Durable Equipment
Regression 3	Industry Earnings on Industry Sales and Corporate Profits
Regression 4	Piper Sales on Industry Sales
Regression 5	Piper Earnings on Industry Earnings

Methodology

We have defined the light aircraft industry as a composite of Piper (19% in 1969), Beech (32% in 1969), and Cessna (40% in 1969), using as our data base, sales and earnings for the period 1958 to 1969 (Table 1). We regressed industry sales against the several hundred series in our economic data bank and found that, during this period, deviations from trend in sales were very well explained (R^2=.73) by fluctuations in producers' durable equipment (Regression 1) and also by adding personal disposable income (R^2=.94; Regression 2). An argument can be made on grounds of economic theory that sales should be more determined by expenditures for producers' durables than by change in personal disposable income, particularly since, for this period, income and equipment expenditures were highly intercorrelated (r=.704). However we decided to use both regressions - producers' durable equipment to generate a conservative forecast and, then, adding personal disposable income to obtain a more buoyant forecast.

In making sales forecasts, we used actual 1969 data for the independent variables. The 1970 estimates were drawn from the Conference Board's November, 1969, Business Outlook 1970 which you supplied us. For the period 1971 to 1979, we used the various economic growth rates contained in our April 1970 paper, "Economic Prospects", as applied to the estimates for 1970 (Table 2). We found a very high correlation (R^2=.90) between industry earnings versus industry sales and aftertax corporate profits for the total economy (Regression 3). Our forecasts for aggregate profits in the economy were developed in the same way as the other independent variables (Table 2). The range for the independent variables is based on their historic root-mean-square variability, while the industry sales range resulted from the use of the two different regression equations mentioned previously. The central figure for sales is the mean of the two extremes (Table 2). We also found high correlations between Piper's experience and that of the industry (Regression 4,5). The forecasts of Piper are, therefore, based on the industry forecasts (Table 3).

The light plane industry has been extremely volatile (Table 1). In the period 1958 to 1969, industry sales had a log linear least square growth rate of 10%, with a root-mean-square variability of 20% around trend. Industry earnings had a growth rate of 8.6% and a variability of 31.7%. Piper had sales and earnings growth rates of 12% and 8.8%, respectively. However, the corresponding variability of 15.5% and 47.6% attests to its high volatility. Table 4 shows growth rates and variabilities for a number of industries. It can be seen that the light aircraft industry and, indeed Piper had, during the 1958 to 1969 period, growth rates and variability characteristics not unlike those of the automobile industry. In this respect, our work over the last several years pursuades us that P/E ratios depend importantly on earnings variability as well as prospective earnings growth rates. Indeed, when variabilities approach 2 or 3 times the growth rate, the effective long-run growth rate is significantly reduced. Stated very simply, it would not be unreasonable to apply the kinds of price earnings ratios characteristic of the automobile manufacturers to the light aircraft industry and to Piper Aircraft Corporation in particular.

Explanation of Regression Terms

The absolute Standard Error of Estimate and the R-Square are indications of the statistical fit of transformed variables (logs, percent deviations from trend, etc.). The R-Square may be interpreted as the proportion of variance explained by the regression. The Absolute R-Bar Square is adjusted for degrees of freedom and is of limited use. The Standard Error of Estimate is the Abs. Standard Error in percentage terms. The Root Mean Square variability is the standard percentage error . The Durbin Watson Statistic is a test for the presence of autocorrelated disturbances, i.e. a bias in the equation which may skew the forecasts.

Line #4 is an indication of the transformation, if any, applied to each variable. "TRND" means that the deviations from trend of the variables rather than the actual numerical values are used in the regression. Line #5 is the name of the variables in the equation. Line #6 is an indication of the leads or lags applied to each variables. Line #7 is the regression coefficients themselves. Line #8 is the standard error for each coefficient and Line #9 is the t-statistic for each coefficient. A broad rule of thumb is that if the t-statistic is greater than 2, or less than -2, the coefficient is significant.

The table to the right lists the mean and standard deviation for each series involved in the regression. These values refer to the transformed variables.

The Intercorrelation Matrix is an indication of the correlations between all the transformed variables. This is a useful indicator of not only correlated series, but multicollinearity as well. Multicollinearity occurs when some or all of the explanatory or independent variables are so highly correlated one with another that it becomes very difficult, if not impossible, to disentangle their separate influences and obtain a reasonably precise estimate of their relative effects.

A plot of the residuals appear below each regression. This is helpful in determining whether the residuals are serially correlated. The residuals should be serially independent; if they are not, a pattern will appear in this plot. If all is well the plot should appear fairly random. The Durban Watson statistic also is a indication of autocorrelated disturbances and should be used in conjunction with the plot. If the Durbin Watson statistic indicates autocorrelation, the plot of the residuals should reveal a pattern.

/gc

HISTORICAL DATA

1958 – 1969

	SPIPER	EPIPER	SALES	NIAT	ATCP	PDI	PDE
1	27.100	2.190	218.300	10.620	22.300	318.800	25.000
2	34.300	2.780	229.100	14.690	28.500	337.300	28.400
3	40.200	3.520	241.500	15.650	26.700	350.000	30.300
4	31.400	0.860	190.400	8.650	27.200	364.400	28.600
5	33.300	1.770	190.800	9.380	31.200	385.300	32.500
6	38.100	2.620	208.300	8.860	33.100	404.600	34.800
7	54.400	4.480	284.400	15.440	38.400	438.100	39.900
8	69.000	6.200	339.900	22.740	46.500	473.200	45.800
9	81.300	6.870	447.900	29.510	49.900	511.900	53.100
10	80.400	2.990	468.100	22.640	46.600	546.500	55.300
11	96.700	3.860	545.400	24.440	47.800	590.000	58.500
12	106.600	4.860	576.900	22.060	44.800	634.400	64.300
	PIPER SALES	PIPER AFTER TAXES EARNINGS	INDUSTRY SALES	INDUSTRY AFTER TAXES EARNINGS	AFTER TAXES CORPORATE PROFITS	PERSONAL DISPOSABLE INCOME	PRODUCERS DURABLE EQUIPMENT
GROWTH RATE %	12.9	8.8	10.3	8.6	7.3	6.3	8.8
VARIABILITY %	15.5	47.6	19.6	31.7	10.5	2.7	5.3

Table 2

989

INDUSTRY AGGEGATE FORECASTS

		TRND NIAT 0 LEAD	TRND SALES 0 LEAD	TRND ATCP 0 LEAD	TRND PDI 0 LEAD	TRND PDE 0 LEAD
1970	OPTIMISTIC	21.203	667.000	44.000	699.000	72.000
	REALISTIC	14.732	606.000	40.000	681.000	68.000
	PESSIMISTIC	8.314	546.000	36.000	663.000	64.000
1971		30.118	751.000	55.000	754.000	77.000
		21.384	662.000	50.000	736.000	73.000
		12.631	573.000	45.000	718.000	68.000
1972		35.485	837.000	62.000	807.000	83.000
		24.261	715.000	56.000	786.000	78.000
		12.987	592.000	50.000	765.000	74.000
1973		41.398	942.000	69.000	867.000	89.000
		28.420	784.000	63.000	844.000	84.000
		15.442	626.000	57.000	822.000	79.000
1974		47.167	1059.000	78.000	931.000	95.000
		33.040	853.000	71.000	907.000	90.000
		16.962	648.000	64.000	882.000	85.000
1975		56.370	1174.000	87.000	996.000	102.000
		37.579	929.000	79.000	970.000	97.000
		18.787	684.000	71.000	944.000	91.000
1976		60.868	1299.000	93.000	1066.000	110.000
		39.725	1002.000	85.000	1038.000	104.000
		18.629	706.000	77.000	1010.000	98.000
1977		66.864	1431.000	101.000	1140.000	118.000
		42.060	1072.000	92.000	1111.000	111.000
		17.296	713.000	83.000	1080.000	105.000
1978		72.992	1560.000	109.000	1220.000	129.000
		44.406	1154.000	99.000	1188.000	119.000
		15.866	729.000	89.000	1156.000	112.000
1979		79.521	1754.000	117.000	1305.000	136.000
		46.846	1253.000	106.000	1271.000	128.000
		14.172	752.000	95.000	1237.000	121.000

// XEQ RJE

NET INCOME AFTER TAXES — SALES — AFTER TAXES CORPORATE PROFITS — PERSONAL DISPOSABLE INCOME — PRODUCERS DURABLE EQUIPMENT

Table 3

SALES & EARNINGS FORECASTS

990

PERIOD		TRND SPIPER 0 LEAD	TRND SALES 0 LEAD	TRND EPIPER 0 LEAD	TRND NIAT 0 LEAD
1970	OPTIMISTIC				
	REALISTIC	129.221	667.000	4.275	21.000
	PESSIMISTIC	120.946	606.000	2.814	15.000
1971		112.807	546.000	1.109	6.000
		148.455	751.000	6.407	30.000
		136.079	662.000	4.210	21.000
		123.702	573.000	2.257	13.000
1972					
		169.337	837.000	7.564	35.000
		151.946	715.000	4.872	24.000
		134.412	592.000	2.181	13.000
1973					
		194.496	942.000	8.965	41.000
		171.407	784.000	5.776	28.000
		148.318	626.000	2.587	15.000
1974					
		223.227	1059.000	10.856	49.000
		192.369	853.000	6.922	33.000
		161.658	648.000	2.987	17.000
1975					
		253.674	1174.000	12.502	56.000
		216.051	929.000	8.064	38.000
		178.427	684.000	3.380	19.000
1976					
		287.883	1299.000	13.651	61.000
		241.128	1002.000	8.461	40.000
		194.531	706.000	3.272	19.000
1977					
		325.686	1431.000	15.044	67.000
		267.752	1072.000	8.850	42.000
		209.818	713.000	3.656	17.000
1978					
		369.051	1580.000	16.432	73.000
		298.578	1154.000	9.229	44.000
		228.270	729.000	2.275	16.000
1979					
		419.798	1754.000	18.063	80.000
		334.837	1253.000	9.846	47.000
		249.875	752.000	1.630	14.000
		PIPER SALES	INDUSTRY SALES	PIPER AFTER TAXES EARNINGS	INDUSTRY AFTER TAXES EARNINGS

Table 4

HISTORIC GROWTH RATES AND VARIABILITY

Industry	Least Squares 1958 - 1972		% Variability From Trend	
	Sales	Earn.	Sales	Earn.
Amusement and Recreation[1]	8.64	10.69	11.92	85.49
Apparel	12.56	12.01	5.97	14.07
Auto - Motor Vehicles	8.28	6.01	8.61	31.70
Auto - Original Equipment Mfrs.	8.53	8.71	7.56	19.53
Auto - Replacement Parts	12.91	11.39	8.80	10.01
Auto - Tire and Rubber	6.63	5.99	5.26	13.19
Chemicals - Basic	7.44	4.31	4.36	13.76
Chemicals - Conglomerate	10.73	8.89	8.93	23.75
Chemicals - Specialty[2]	14.89	17.35	3.48	8.13
Communications Media	10.11	11.38	4.20	14.94
Containers	6.67	7.90	7.00	13.25
Drugs	11.41	11.31	7.51	5.76
Drugs - Medical Supply[1]	14.51	18.20	7.29	6.86
Electronics - Components	14.46	12.90	12.60	21.02
Electronics-Elect. Equip. & Supply	7.85	6.89	6.40	12.42
Electronics - T. V. and Radio	9.39	12.34	7.44	28.01
Food - Brewers	9.69	14.57	6.42	6.23
Food - Commodity	4.99	5.47	3.56	6.51
Food - Dairy	7.92	9.41	4.75	6.42
Food - Distillers	7.85	8.57	6.59	2.15
Food - Packaged	8.03	8.44	5.10	2.20
Food - Soft Drinks[2]	15.19	14.78	5.55	6.44
Forest Products - Lumber	14.27	12.34	8.00	20.42
Forest Products - Paper	7.50	3.84	3.80	15.60
Hshld. Prod. - Cosmetics & Toilet Goods	11.99	12.12	2.50	3.15
Hshld. Products - Detergents	7.62	8.53	3.32	4.98
Hshld. Prod. - Durable Appliances	9.12	9.14	3.43	15.66
Hshld. Products - Home Furnishings	8.20	7.53	6.75	16.30
Machinery - Construction Equipment	11.05	12.21	7.90	29.91
Machinery - Construction Material	8.15	3.13	11.08	14.60
Machinery - Ind. Mach. & Equipment	10.62	8.39	6.67	17.29
Mining & Mfg. - Aluminum	7.51	5.50	6.34	29.39
Mining & Mfg. - Nonferrous ex Aluminum	5.75	6.46	7.13	24.63
Mining & Mfg. - Steel	4.30	-0.15	4.89	23.93
Office Equipment - Business Forms	9.10	9.66	3.38	8.33
Office Equipment - Computers	13.52	15.86	6.12	6.48
Office Equipment - Other Equipment	16.51	17.39	10.10	16.28
Petroleum	8.84	7.37	7.74	8.84
Petroleum - Oil Service[2]	15.01	12.20	2.87	6.04
Photography	12.09	13.12	11.02	15.81

Table 4 (Continued)

Industry	Least Squares 1958 - 1972 Sales	Least Squares 1958 - 1972 Earn.	% Variability From Trend Sales	% Variability From Trend Earn.
Printing & Publishing	9.98	9.86	5.19	19.77
Printing & Publishing - Newspapers[3]	11.96	12.29	3.65	10.26
Retail - Chain Stores	9.61	9.27	5.23	5.42
Retail - Department Stores	7.90	9.16	3.68	12.60
Retail - Food Stores	5.75	2.47	4.63	10.23
Service - Hotel and Motel[1]	14.81	20.49	9.69	14.66
Service - Restaurant & Food Service[3]	17.36	23.08	4.33	4.99
Tobacco	8.75	7.11	16.58	9.61
Transportation - Motor Carriers	13.67	22.00	6.12	40.55
Banks	--	10.14	--	9.76
Utilities	--	6.91	--	2.18

1. - 1960 - 1972 Growth Rate
2. - 1962 - 1972 Growth Rate
3. - 1964 - 1972 Growth Rate

NOTE: All growth rates are aggregate, not per share.

Regression 1

MULTIPLE REGRESSION ON SALES

INDUSTRY SALES ON PRODUCERS DURABLE EQUIPMENT

STD ERROR OF ESTIMATE IS 0.955E 01 FOR 2 VARIABLES, 12 OBSERVATIONS, R-SQUARE = 0.734
ABS STD ERROR OF ESTIMATE IS 0.321E 02 ROOT MEAN SQUARE VARIABILITY IS 0.967E 01
DURBIN WATSON STATISTIC IS 1.0603 ABS R-BAR SQUARE IS 0.954

TRND SALES 0 LEAD	=	CONST	+	TRND PDE 0 LEAD
		0.123E 01		0.284E 01
STD ERR		0.276E 01		0.507E 00
T-STAT		0.446		5.603

SERIES STATISTICS

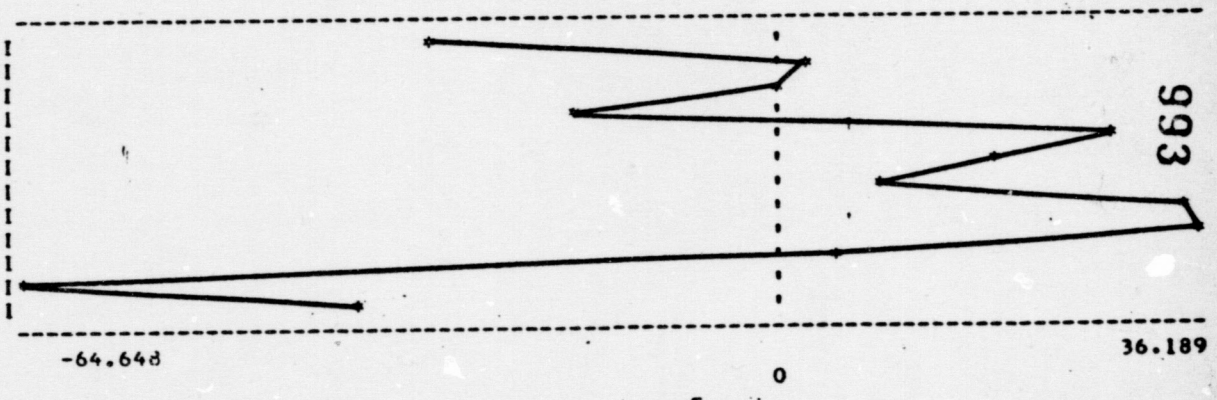
	TRND SALES	TRND PDE
MEAN	0.165E 01	0.150E 00
S.D.	0.185E 02	0.568E 01

INTERCORRELATION MATRIX

	TRND SALES	TRND PDE
TRND SALES	1.000	
TRND PDE	0.870	1.000

	SALES ACTUAL VALUE	SALES COMPUTED VALUE	RESIDUAL
1	218.300	189.878	-28.421
2	229.100	232.575	3.475
3	241.500	242.581	1.081
4	190.400	174.030	-16.369
5	190.800	219.520	28.720
6	208.200	227.671	19.571
7	284.400	293.691	9.291
8	339.900	374.522	34.622
9	447.900	484.089	36.189
10	468.100	474.157	6.057
11	545.400	480.751	-64.648
12	576.900	541.718	-35.181

PLOT OF RESIDUALS



MULTIPLE REGRESSION ON SALES

INDUSTRY SALES ON PERSONAL DISPOSABLE INCOME & PRODUCERS DURABLE EQUIPMENT

STD ERROR OF ESTIMATE IS 0.753E 01 FOR 2 VARIABLES, 12 OBSERVATIONS, R-SQUARE = 0.834
ABS STD ERROR OF ESTIMATE IS 0.282E 02 ROOT MEAN SQUARE VARIABILITY IS 0.754E 01
DURBIN WATSON STATISTIC IS 1.1421 ABS R-BAR SQUARE IS 0.964

TRND SALES 0 LEAD	= CONST	+ TRND PDI 0 LEAD
	0.145E 01	0.674E 01
STD ERR	0.217E 01	0.896E 00
T-STAT	0.669	7.525

SERIES STATISTICS

	TRND SALES	TRND PDI	TRND PDE
MEAN	0.165E 01	0.301E-01	0.150E 0
S.D.	0.165E 02	0.253E 01	0.568E 0

STD ERROR OF ESTIMATE IS 0.471E 01 FOR 3 VARIABLES, 12 OBSERVATIONS, R-SQUARE = 0.935
ABS STD ERROR OF ESTIMATE IS 0.159E 02 ROOT MEAN SQUARE VARIABILITY IS 0.478E 01
DURBIN WATSON STATISTIC IS 2.3906 ABS R-BAR SQUARE IS 0.989

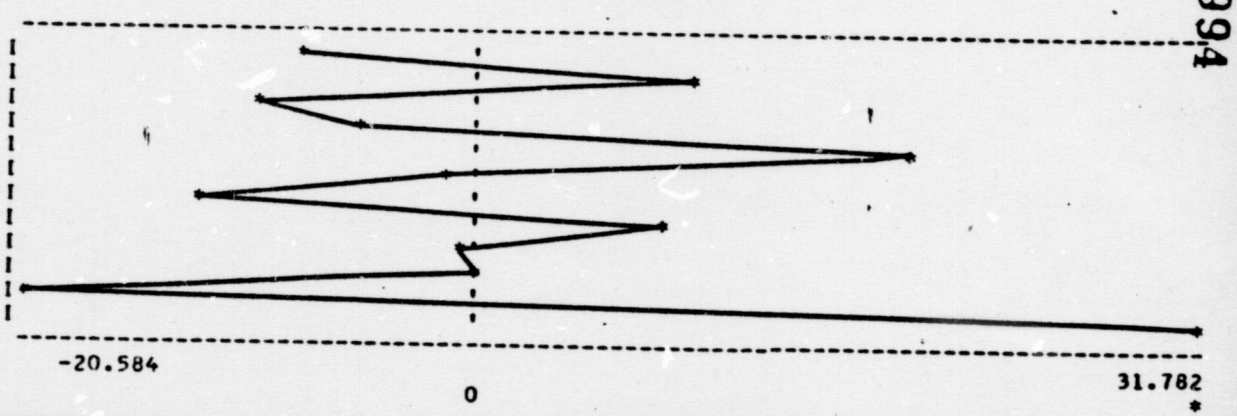
TRND SALES 0 LEAD	= CONST	+ TRND PDI 0 LEAD	+ TRND PDE 0 LEAD
	0.130E 01	0.447E 01	0.143E 01
STD ERR	0.136E 01	0.790E 00	0.352E 00
T-STAT	0.961	5.664	4.065

INTERCORRELATION MATRIX

	TRND SALES	TRND PDI	TRND PDE
TRND SALES	1.000		
TRND PDI	0.921	1.000	
TRND PDE	0.870	0.704	1.000

	SALES ACTUAL VALUE	SALES COMPUTED VALUE	RESIDUAL
1	218.300	210.728	-7.571
2	229.100	238.629	9.529
3	241.500	231.506	-9.993
4	190.400	184.850	-5.549
5	190.800	209.744	18.944
6	208.300	206.721	-1.578
7	284.400	272.214	-12.185
8	339.900	347.737	7.837
9	447.900	446.865	-1.034
10	468.100	467.847	-0.252
11	545.400	524.815	-20.584
12	576.900	608.682	31.782

PLOT OF RESIDUALS



Regression 3
MULTIPLE REGRESSION ON NIAT

INDUSTRY EARNINGS ON INDUSTRY SALES & CORPORATE PROFITS

STD ERROR OF ESTIMATE IS 0.199E 02 FOR 2 VARIABLES, 12 OBSERVATIONS, R-SQUARE = 0.556
ABS STD ERROR OF ESTIMATE IS 0.361E 01 ROOT MEAN SQUARE VARIABILITY IS 0.180E 02
DUREIN WATSON STATISTIC IS 0.9013 ABS R-BAR SQUARE IS 0.760

TRND NIAT 0 LEAD	= CONST	+ TRND SALES 0 LEAD
	0.212E 01	0.125E 01
STD ERR	0.579E 01	0.325E 00
T-STAT	0.365	3.846

STD ERROR OF ESTIMATE IS 0.962E 01 FOR 3 VARIABLES, 12 OBSERVATIONS, R-SQUARE = 0.897
ABS STD ERROR OF ESTIMATE IS 0.127E 01 ROOT MEAN SQUARE VARIABILITY IS 0.880E 01
DURBIN WATSON STATISTIC IS 1.9020 ABS R-BAR SQUARE IS 0.973

TRND NIAT 0 LEAD	= CONST	+ TRND SALES 0 LEAD	+ TRND ATCP 0 LEAD
	0.156E 01	0.112E 01	0.170E 01
STD ERR	0.279E 01	0.157E 00	0.291E 00
T-STAT	0.559	7.131	5.843

SERIES STATISTICS

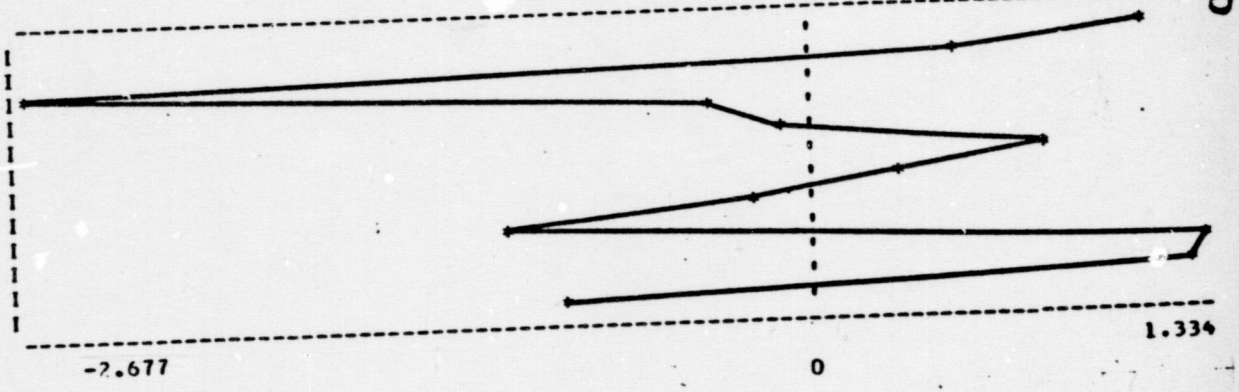
	TRND NIAT	TRND SALES	TRND ATCP
MEAN	0.420E 01	0.165E 01	0.450E 00
S.D.	0.300E 02	0.185E 02	0.100E 01

INTERCORRELATION MATRIX

	TRND NIAT	TRND SALES	TRND ATCP
TRND NIAT	1.000		
TRND SALES	0.772	1.000	
TRND ATCP	0.663	0.134	1.000

	NIAT ACTUAL VALUE	NIAT COMPUTED VALUE	RESIDUAL
1	10.620	11.754	1.134
2	14.690	15.190	0.500
3	15.650	12.972	-2.677
4	8.650	8.338	-0.311
5	9.380	9.317	-0.062
6	8.860	9.643	0.783
7	15.440	15.742	0.302
8	22.740	22.563	-0.176
9	29.510	28.511	-0.998
10	22.640	23.974	1.334
11	24.440	25.737	1.299
12	22.060	21.459	-0.600

PLOT OF RESIDUALS



MULTIPLE REGRESSION ON SPIPER

PIPER SALES ON INDUSTRY SALES

STD ERROR OF ESTIMATE IS 0.792E 01 FOR 2 VARIABLES, 12 OBSERVATIONS, R-SQUARE = 0.705
ABS STD ERROR OF ESTIMATE IS 0.409E 01 ROOT MEAN SQUARE VARIABILITY IS 0.760E 01
DURBIN WATSON STATISTIC IS 1.1147 ABS R-BAR SQUARE IS 0.980

TRND SPIPER 0 LEAD	= CONST	+ TRND SALES 0 LEAD
	-0.973E-01	0.673E 00
STD ERR	0.229E 01	0.128E 00
T-STAT	-0.042	5.227

SERIES STATISTICS

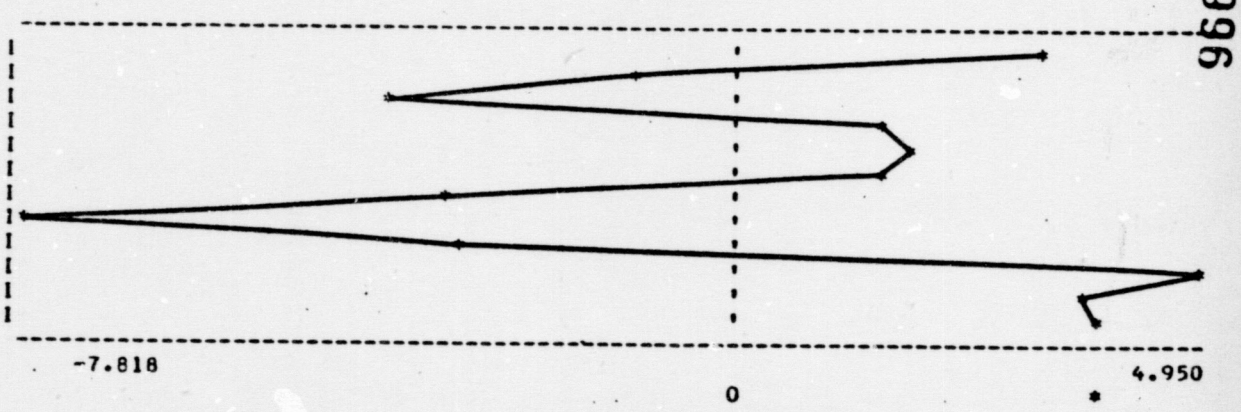
	TRND SPIPER	TRND SALES
MEAN	0.101E 01	0.165E 01
S.D.	0.145E 02	0.185E 02

INTERCORRELATION MATRIX

	TRND SPIPER	TRND SALES
TRND SPIPER	1.000	
TRND SALES	0.855	1.000

	SPIPER ACTUAL VALUE	SPIPER COMPUTED VALUE	RESIDUAL
1	27.100	30.350	3.250
2	34.300	33.157	-1.142
3	40.200	36.359	-3.840
4	31.400	32.927	1.527
5	33.300	35.162	1.862
6	38.100	39.591	1.491
7	54.400	51.242	-3.157
8	69.000	61.181	-7.818
9	81.300	78.258	-3.041
10	90.400	85.350	4.950
11	96.700	100.408	3.708
12	106.600	110.435	3.835

PLOT OF RESIDUALS



Regression 5

MULTIPLE REGRESSION ON EPIPER

PIPER EARNINGS ON INDUSTRY EARNINGS

STD ERROR OF ESTIMATE IS 0.282E 02 FOR 2 VARIABLES, 12 OBSERVATIONS, R-SQUARE = 0.603
ABS STD ERROR OF ESTIMATE IS 0.101E 01 ROOT MEAN SQUARE VARIABILITY IS 0.319E 02
DURBIN WATSON STATISTIC IS 1.1115 ABS R-BAR SQUARE IS 0.700

TRND EPIPER 0 LEAD	=	CONST	+	TRND NIAT 0 LEAD
		0.469E 01		0.119E 01
STD ERR		0.825E 01		0.284E 00
T-STAT		0.568		4.213

SERIES STATISTICS

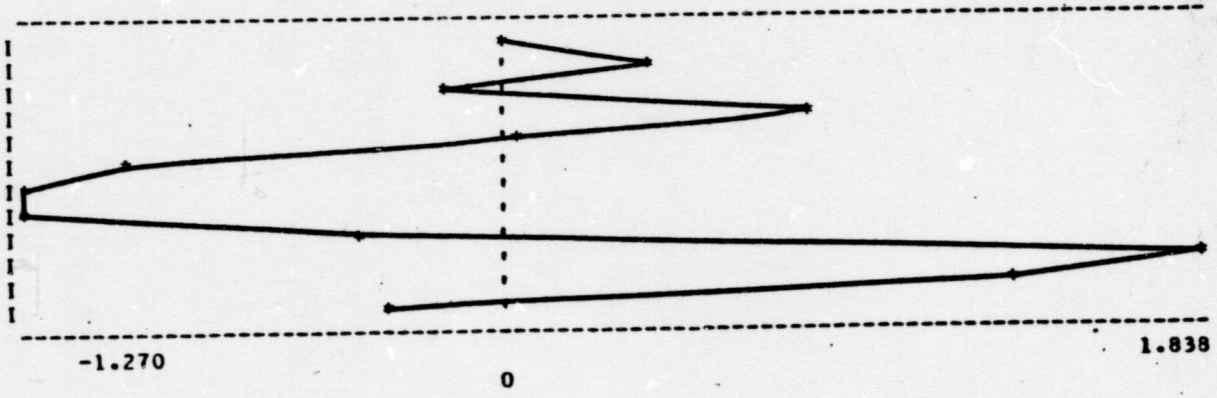
	TRND EPIPER	TRND NIAT
MEAN	0.972E 01	0.420E 01
S.D.	0.449E 02	0.300E 02

INTERCORRELATION MATRIX

	TRND EPIPER	TRND NIAT
TRND EPIPER	1.000	
TRND NIAT	0.799	1.000

	EPIPER ACTUAL VALUE	EPIPER COMPUTED VALUE	RESIDUAL
1	2.190	2.219	0.029
2	2.780	3.163	0.383
3	3.520	3.370	-0.149
4	0.860	1.681	0.821
5	1.770	1.825	0.055
6	2.620	1.668	-0.951
7	4.480	3.210	-1.269
8	6.200	4.929	-1.270
9	6.870	6.525	-0.344
10	2.990	4.828	1.838
11	3.860	5.218	1.358
12	4.860	4.590	-0.269

PLOT OF RESIDUALS



998

UNITED STATES TRUST COMPANY
OF NEW YORK
45 WALL STREET NEW YORK, N.Y. 10005
212-425-4500

March 4, 1974

Mr. Robert Rosenkranz
Oppenheimer & Company
1 New York Plaza
New York, New York 10004

Dear Mr. Rosenkranz:

The growth rates for the following industries on the computer printout were for time periods other than 1958 - 1968. The correct time period for the industry is listed next to the industry name.

Amusement and Recreation	1960 - 1968
Chemicals - Specialty	1962 - 1968
Drugs - Medical Supply	1960 - 1968
Food - Soft Drinks	1962 - 1968
Petroleum - Oil Service	1962 - 1968
Printing & Publishing - Newspapers	1964 - 1968
Service - Hotel and Motel	1960 - 1968
Service - Restaurant & Food Service	1964 - 1968

Sincerely,

Joseph M. Pangia

JMP:lc

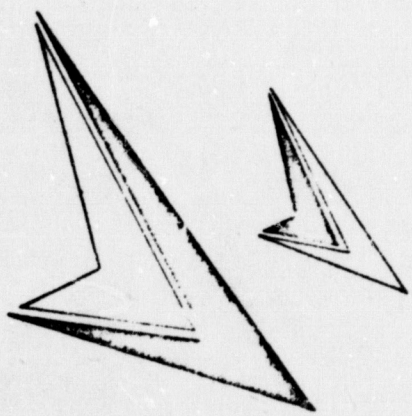
FIRST NATIONAL CITY BANK
INVESTMENT LIBRARY
JUN 10 [illegible]
399 PARK AVENUE, N. Y.

999

1
9-30-69

Plaintiff's Exhibit 160

PIPER AIRCRAFT CORPORATION



1969 ANNUAL REPORT

- EXECUTIVE OFFICES AND MANUFACTURING PLANT / Lock Haven, Pennsylvania 17745
- OTHER MANUFACTURING PLANTS / Piper, Pennsylvania 16845 / Renovo, Pennsylvania 17764
  Vero Beach, Florida 32960 / Lakeland, Florida 33801
- SUBSIDIARY; PIPER AIRCRAFT INTERNATIONAL S. A. / Geneva, Switzerland

DIRECTORS

NICOLAS M. SALGO, Chairman, New York, N. Y.
LAWRENCE R. BARNETT, New York, N. Y.
C. LEONARD GORDON, New York, N. Y.
DUDLEY C. PHILLIPS, Greenwich, Conn.
W. T. PIPER, JR., Lock Haven, Pa.
W. GORDON ROBERTSON, Bangor, Me.
JAMES J. ROCHLIS, New York, N. Y.
DAVID W. WALLACE, Greenwich, Conn.

OFFICERS

NICOLAS M. SALGO, Chairman of the Board
W. T. PIPER, JR., President
HOWARD PIPER, Executive Vice President
CHARLES W. POOL, Senior Vice President - Finance and Administration
WALTER C. JAMOUNEAU, Vice President - Lock Haven Engineering
JOSEPH M. MERGEN, Vice President - Operations
WILLARD MILLER, Vice President - Marketing and New Product Development
EUGENE L. STICKLEY, Vice President - Plans and Programs
JACK J. CATTONI, Controller
JOHN R. LEESON, Treasurer
JOHN J. MARTIN, Secretary

AUDITORS

ARTHUR YOUNG & COMPANY New York, N. Y.

INSURANCE BROKER

BROWN, CROSBY & CO., INC. New York, N. Y.

TRANSFER AGENT

MANUFACTURERS HANOVER TRUST CO. New York, N. Y.

REGISTRAR

BANKERS TRUST COMPANY New York, N. Y.

ADVERTISING AGENCY

FRIEDLICH, FEARON & STROHMEIER, INC. New York, N. Y.

LEGAL COUNSEL

CHADBOURNE, PARKE, WHITESIDE & WOLFF New York, N. Y.
JAMES T. SMITH Lock Haven, Pa.

Facts In Brief

INCOME	1969	1968
Sales	$106,569,000	$96,724,000
Income before income taxes	10,218,000	8,238,000
Income taxes	5,417,000	4,375,000
Net income	4,801,000	3,863,000
Net income per share	2.92	2.36
Net income percent of sales	4.5%	4.0%
CASH DIVIDENDS		
Total	$ 2,299,000	$ 2,295,000
Per share	1.40	1.40
OTHER		
Working captial	$ 32,887,000	$32,797,000
Ratio of current assets to current liabilities	2.9 to 1	4.6 to 1
Total stockholders' equity	37,855,000	35,070,000
Net assets per share of common stock	23.02	21.39
Number of employees	4,444	4,365
Number of stockholders	1,879	4,941

SALES DOLLAR VOLUME ('000s)

	1969	1968	1967
Commercial Planes	$ 98,926	$ 89,855	$ 74,388
Commercial–Other services, parts, etc.	7,600	6,810	6,036
Military–Prime and subcontract	43	59	15
	$106,569	$ 96,724	$ 80,439
Estimated commercial sales by the industry*	$355,000	$340,000	$270,000
Piper's percentage	30.0%	28.4%	29.8%

*Including only airplanes with a standard price under $200,000

SALES IN UNITS

	1969	1968	1967
Super Cub	109	138	138
Pawnee	348	363	337
Cherokee Six	343	269	517
Cherokee	1,821	2,115	2,455
Cherokee Arrow	517	844	65
Comanche	101	93	138
Twin Comanche	232	166	303
Aztec	358	277	280
Navajo	248	209	69
Total Piper Sales	4,077	4,474	4,302
Estimated Industry Sales*	12,500	14,000	13,000
Piper's Percentage	33%	32%	33%

*Including only airplanes with a standard price under $200,000

TO THE STOCKHOLDERS:

We regret the delay in making available to you the financial figures for the fiscal year ended September 30, 1969.

The 1969 fiscal year was an eventful one for Piper Aircraft Corporation. In spite of the time and attention which had been devoted to the tender and exchange offers for Piper stock, sales were increased to a new high of $106,569,000, the first time in Piper history that dollar volume exceeded the one hundred million mark. Net profits after taxes were $4,801,000, equivalent to $2.92 per share, up from $2.36 per share in fiscal 1968.

Halfway through the 1969 fiscal year there was a noticeable drop in orders for single engine airplane models, which make up the bulk of the unit sales, not only at Piper, but for the entire industry. In contrast, the demand continued strong for twin engine models, which account for a proportionately large part of the company's sales volume and gross profit. The slowing of single engine sales has been attributed in part to the increasing cost of financing and insuring small planes, as well as restrictions, restraints and increased charges imposed on privately owned aircraft at several of the larger airports. On the other hand, almost all of the higher priced multi-engine aircraft are purchased by corporations for business uses, where the values to be realized through more efficient transportation outweigh the increased costs of owning and operating airplanes. The slowed economy eventually had its effect on the sale of the larger twins, the purchases of which were substantially reduced during the early months of fiscal 1970. As a result of these and other factors it is anticipated that sales and profits in fiscal 1970 will be significantly lower than for fiscal 1969.

The long range outlook for General Aviation in this country and all over the world is optimistic. The General Aviation fleet is expected to double in the next ten years, during which time we fully expect Piper Aircraft to continue its growth and expansion and to maintain its dominant position in the General Aviation industry.

On January 15, 1970, Piper suffered the loss of its founder, W. T. Piper, Sr. At the time of his death, he was Honorary Chairman and Director Emeritus of the Company. As a direct result of this one man's hard work, enthusiasm and dedication, the Piper Aircraft Corporation is a respected and world famous organization. He was gifted with the daring of an adventuresome spirit and was always thoughtful of others; he combined a firmness of character and a spirit greatly beloved. Such men are rare and we shall all miss his wisdom and counsel, as will the many civic and charitable interests he served.

It is also with profound sorrow that we record the untimely death of one of our recently appointed Vice Presidents, Wallis C. Smith, who served Piper with distinction and had contributed greatly to the Company's progress.

Nicolas M. Salgo
Chairman

W. T. Piper, Jr.
President

Consolidated Statement Of Income And Retained Earnings

Years Ended September 30, 1969 and 1968	1969	1968
SALES	$106,569,202	$96,723,812
Cost of sales	86,609,007	80,107,623*
Gross profit from sales	19,960,195	16,616,189
Selling and shipping expenses	6,582,832	6,037,796*
Administrative and general expenses (Note 2)	2,742,695	2,050,701*
	9,325,527	8,088,497
Operating profit	10,634,668	8,527,692
Interest and other income	332,284	322,988
Interest expense	(748,635)	(612,264)
Income before income taxes	10,218,317	8,238,416
Provision for income taxes (including in 1969 deferred taxes of $318,000):		
Federal	4,943,000	4,047,000
State	474,000	328,000
	5,417,000	4,375,000
NET INCOME	4,801,317	3,863,416
Retained earnings at beginning of year	24,461,462	22,892,961
	29,262,779	26,756,377
CASH DIVIDENDS - $1.40 per share	2,299,271	2,294,915
Retained earnings at end of year (Note 5)	$26,963,508	$24,461,462
NET INCOME PER SHARE OF COMMON STOCK	$2.92	$2.36

See accompanying notes.

* Reclassified to conform to 1969 presentation.

Consolidated Balance Sheet

September 30, 1969 and 1968

ASSETS	1969	1968
CURRENT ASSETS:		
Cash and commercial paper	$ 3,449,693	$ 4,500,432
Notes and accounts receivable (less allowance of $662,000 in 1969 and $615,000 in 1968)	6,579,970	4,965,458
Inventories at the lower of cost (first-in, first-out method) or market:		
Finished airplanes	9,338,587	5,339,254
Service parts	3,071,809	2,906,265
Work in process	19,221,059	16,593,604
Purchased materials, parts and supplies	7,741,143	7,389,150
Total inventories	39,372,598	32,228,273
Prepaid expenses	447,600	202,331
TOTAL CURRENT ASSETS	49,849,861	41,896,494
PROPERTY, PLANT AND EQUIPMENT, at cost (Note 1):		
Land	980,352	778,996
Buildings	13,738,497	11,797,768
Machinery and equipment	9,663,995	7,927,400
	24,382,844	20,504,164
Less accumulated depreciation	9,337,662	8,441,995
NET PROPERTY, PLANT AND EQUIPMENT	15,045,182	12,062,169
DEFERRED CHARGES AND OTHER ASSETS	240,627	210,960
	$65,135,670	$54,169,623

See accompanying notes.

ABILITIES AND STOCKHOLDERS' EQUITY	1969	1968
URRENT LIABILITIES:		
Notes payable to banks	$ 7,000,000	$ —
Accounts payable	6,627,820	5,632,343
Salaries and wages	2,288,431	1,720,668
Federal income tax	421,900	1,325,935
Other taxes	624,325	420,611
TOTAL CURRENT LIABILITIES	16,962,476	9,099,557
7/8% NOTES DUE 1975-1984	10,000,000	10,000,000
EFERRED INCOME TAXES	318,000	—
TOCKHOLDERS' EQUITY:		
Preferred stock, par value $5 per share: Authorized - 100,000 shares; none issued		
Common stock, par value $1 per share (Note 4): Authorized - 5,000,000 shares Issued and outstanding shares: 1969 - 1,644,790; 1968 - 1,639,600	1,644,790	1,639,600
Additional paid in capital (Note 4)	9,246,896	8,969,004
Retained earnings (Note 5)	26,963,508	24,461,462
TOTAL STOCKHOLDERS' EQUITY	37,855,194	35,070,066
LITIGATION (Note 7)		
	$65,135,670	$54,169,623

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. PROPERTY, PLANT AND EQUIPMENT AND ACCUMULATED DEPRECIATION

Depreciation charged to costs and expenses amounted to $1,310,395 in 1969 and $1,687,146 in 1968. Through September 30, 1968 the provision for depreciation for both financial statement and income tax purposes was computed by the straight-line method for assets acquired prior to January 1, 1954 and for used equipment acquired since that date and by accelerated methods for all new plant and equipment acquired subsequent to 1953. Effective October 1, 1968 the Company changed its method of computing depreciation on assets acquired since 1953 to the straight-line method for financial statement purposes only and commenced providing deferred income taxes for the tax reduction resulting from the excess of tax depreciation over financial statement depreciation. The change resulted in an increase in net income and net income per share for the year ended September 30, 1969 of $384,000 and $.23, respectively.

Investment tax credits of $34,000 in 1969 and $72,896 in 1968 have been applied as a reduction of the provision for federal income tax in the respective years.

2. ADMINISTRATIVE AND GENERAL EXPENSES

A substantial portion of the 1969 increase in administrative expenses relates to legal fees and costs of other outside services incurred in connection with the Company's opposition to the tender offer and exchange offer made by Chris-Craft Industries, Inc. and related matters.

A fee for services rendered by a financial adviser will be payable by Bangor Punta Corporation when and if it obtains a majority of the Company's outstanding shares. Amounts payable by the Company in the event that such a majority is not ultimately obtained have not yet been determined but would not, in the opinion of management, be material to Piper's financial position.

3. BONUS AND PENSION PLANS

The Company has trusteed and other retirement plans covering substantially all of its employees under which the costs of benefits are currently funded. The cost of the plans, including amortization of past service costs over ten years, amounted to $882,000 in 1969 and $1,004,975 in 1968. Deferred income taxes reflect the difference between book and tax basis of deducting past service costs. At September 30, 1969 unfunded past service costs approximated $318,000; the actuarially computed value of vested benefits at that date was fully provided. The pension cost for 1969 and the unfunded past service liability at September 30, 1969 were reduced by $179,600 and $556,000, respectively, as the result of certain changes in actuarial assumptions.

Under a bonus plan for salaried employees based on annual corporate income (as defined), $87,325 was payable with respect to 1969 operations. No amounts were payable under the plan with respect to fiscal 1968.

4. STOCK OPTION PLAN

At September 30, 1969 there were reserved under a stock option plan, approved by stockholders, 38,800 shares of common stock against which options were outstanding on 3,775 shares of which none were then exercisable. The outstanding options, which expire from 1971 to 1973, were granted at prices ranging from $48.60 to $49.75 per share (an average of $48.81 per share). Such prices were not less than 100% of the market price on the dates of grant in 1966 and 1968.

At September 30, 1968 there were reserved under the plan 43,990 shares against which options on 9,240 shares were then outstanding. During the 1969 fiscal year 5,190 shares were issued on exercise of options at prices ranging from $14.55 to $49.75 per share. In connection with such shares issued, $5,190 was credited to common stock and $194,892 was credited to additional paid in capital. Options on 275 shares were canceled during the 1969 fiscal year, no options were held by or exercised by any officer. Additional paid in capital has been credited with $83,000 of income tax benefits resulting from disqualifying dispositions in 1969 of option plan stock by employees.

5. RETAINED EARNINGS

Under the March 17, 1967 agreement relating to the 5-7/8% notes due 1975-1984, the aggregate of cash dividends (and certain other defined payments) after September 30, 1968 may not exceed consolidated net income (as defined) since that date by more than $4,000,000; approximately $8,770,000 of retained earnings at September 30, 1969 was not so restricted.

6. FOREIGN OPERATIONS

Sales to distributors and dealers located outside the United States accounted for approximately 29% of 1969 sales. At September 30, 1969, $4,650,000 of accounts and notes receivable were due from such customers. Inventories outside the United States (principally in Switzerland) approximated $1,650,000 at September 30, 1969

7. LITIGATION

On May 22, 1969 Chris-Craft Industries, Inc. brought suit against the Company, Bangor Punta Corporation and others alleging, among other things, a conspiracy to frustrate an exchange offer to the Company's shareholders then being made by Chris-Craft and seeking damages of $45,000,000 as well as injunctive relief. The Company also is a defendant in an action brought by a former distributor claiming treble damages of $2,010,000 based on the Company's alleged violation of federal antitrust laws. In another action filed against the Company, $1,500,000 in damages are sought for alleged misappropriation of an idea. The Company is contesting all the aforesaid actions and has received an opinion of counsel that, based upon information then available, disposition of such actions would not have any material adverse effect on the Company's financial position or results of operations.

The Company is a defendant in a number of lawsuits involving product liability claims of material amounts and additional similar claims may be filed with respect to aircraft sold prior to September 30, 1969. In the opinion of management, the product liability insurance maintained by the Company is adequate to cover any liabilities which may result from such claims.

See Note 8 with respect to differences of opinion among members of the Company's Board of Directors and events subsequent to September 30, 1969.

8. DIFFERENCES OF OPINION AMONG BOARD MEMBERS AND EVENTS SUBSEQUENT TO SEPTEMBER 30, 1969

Four members of the current Board of Directors of the Corporation are representatives of Bangor Punta Corporation, holding approximately 51% of the outstanding stock of Piper Aircraft Corporation, three members are representatives of Chris-Craft Industries, Inc., holding approximately 42% of the stock and one member remains from the Board of Directors elected at the last shareholders meeting. Suits have been filed challenging the legality of ownership of certain shares and seeking remedies, some of which, if ultimately granted, could materially alter the percentage of stock held or voted by the two major stockholders referred to above.

During the period since September 30, 1969, members of management and the Board of Directors have engaged in extensive discussions and investigations as to the desirability of modification

of certain aircraft in the hands of customers. On April 24, 1970 a majority of the members of the Board approved modification and information programs estimated to cost approximately $250,000 (before considering the effect of applicable income taxes). In the opinion of management and the five members of the Board not representing Chris-Craft, adequate provision has been made in the accompanying financial statements for all modifications considered necessary and for amounts, if any, which may ultimately be payable in settlement of claims asserted in law suits in which the Company is named as a defendant. The three members of the Board representing Chris-Craft were not present at the April 24 meeting but have indicated that they do not concur with the conclusions and the action of the majority. In the opinion of those three Board members, a more effective retrofit program and a fuller reserve is necessary. It has been noted by one of the Chris-Craft directors that the pre-tax cost of certain additional modifications to these aircraft would approximate $5,800,000. As indicated above, management does not agree that such modifications are necessary or appropriate. In the opinion of the other five directors, the three Chris-Craft representatives on the Board have manifested hostile attitudes which could lead them to take steps which could have a material effect upon the financial position or operations of the Corporation.

As a result of the above-mentioned discussions and investigations, the Company did not file its financial statements for the year ended September 30, 1969 on a timely basis with its noteholders and the Securities and Exchange Commission. No action has yet been taken against the Company for its failure to meet these filing requirements.

Unaudited results of operations for the six months ended March 31, 1970 and 1969 are as follows:

	Six Months Ended March 31	
	1970	1969
	(In thousands of dollars)	
Sales	$39,119	$51,377
Net Income	1,365	2,728
Net Income per Share	.83	1.66

AUDITORS' REPORT

ARTHUR YOUNG & COMPANY

277 PARK AVENUE
NEW YORK, N. Y. 10017

The Board of Directors and Shareholders
Piper Aircraft Corporation

We have examined the accompanying consolidated balance sheet of Piper Aircraft Corporation and subsidiary at September 30, 1969 and the related consolidated statement of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As explained in Note 8, a majority of the Board of Directors and the chief operating and financial officers of the Company have advised us that adequate provision has been made in the accompanying financial statements for all modification programs considered necessary for aircraft delivered prior to September 30, 1969 and that no other material adjustment or disclosure is required in the accompanying financial statements. As also indicated in Note 8, three members of the Board of Directors declined to make similar representations. The ultimate resolution of these matters as to which the Board does not presently agree may be influenced materially by future events, including possible future actions of the Board or of its members.

In our opinion, subject to such adjustments as may result from the resolution of the matters referred to in the preceding paragraph and in Note 7 to the financial statements, the statements mentioned above present fairly the consolidated financial position of Piper Aircraft Corporation and subsidiary at September 30, 1969 and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for the change in the method of computing depreciation described in Note 1.

Arthur Young & Company

October 24, 1969
(except as to Note 8 as to which the date is May 1, 1970)

Ten Year Review

SOURCE AND DISPOSITION OF WORKING CAPITAL	1969	1968	1967
Source of working capital			
Income before income taxes	$ 10,218,317	$ 8,238,416	$ 5,821,048
Less income taxes	5,417,000	4,375,000	2,830,000
Net income	4,801,317	3,863,416	2,991,048
Depreciation	1,310,395	1,687,146	1,562,299
Deferred income taxes	318,000	-	-
Long term notes issued	-	-	10,000,000
Common stock sold	-	-	-
Common stock options exercised	283,082	26,630	163,343
	6,712,794	5,577,192	14,716,690
Disposition of working capital			
Additions to property, plant and equipment --net	4,293,408	2,236,175	3,709,224
Cash dividends paid on common stock	2,299,271	2,294,915	2,287,197
Other--net	29,667	68,989	115,036
	6,622,346	4,600,079	6,111,457
Increase (decrease) in working capital	$ 90,448	$ 977,113	$ 8,605,233
WORKING CAPITAL AT END OF YEAR	$ 32,887,385	$32,796,937	$31,819,824
Ratio of current assets to current liabilities	2.9 to 1	4.6 to 1	4.7 to 1
SALES	$106,569,202	$96,723,812	$80,439,241
Units sold	4,077	4,474	4,302
WAGES AND SALARIES	$ 34,778,184	$29,445,145	$26,423,903
Number of employees at end of year	4,444	4,365	4,107
TOTAL STOCKHOLDERS' EQUITY	$ 37,855,194	$35,070,066	$33,474,935
Common shares outstanding at end of year	1,644,790	1,639,600	1,638,350
Number of stockholders	1,879	4,941	5,712
PER SHARE OF COMMON STOCK			
Net income (a)	$ 2.92	$ 2.36	$ 1.83
Dividends on common stock:			
In cash	$ 1.40	$ 1.40	$ 1.40
In common stock	-	-	-
Stockholders' equity	$23.02	$21.39	$20.43

(a) Based on average common shares outstanding during each year after adjusting for issuance in fiscal 1965 of one additional share for each two shares previously outstanding.

1966	1965	1964	1963	1962	1961	1960
13,593,637	$12,387,878	$ 9,370,580	$ 5,653,052	$ 3,919,901	$ 1,669,929	$ 7,598,375
6,723,000	6,190,000	4,890,000	3,035,000	2,150,000	815,000	4,075,000
6,870,637	6,197,878	4,480,580	2,618,052	1,769,901	854,929	3,523,375
934,833	804,315	777,167	772,258	911,012	642,588	501,501
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	5,967,823
77,144	58,486	166,157	6,534	-	-	-
7,882,614	7,060,679	5,423,904	3,396,844	2,680,913	1,497,517	9,992,699
4,292,222	2,191,339	1,260,263	352,712	305,125	1,865,367	1,436,205
2,438,659	2,189,196	1,614,029	1,072,468	1,072,393	1,179,632	1,039,720
(728)	20,483	9,947	576	517	(2,588)	57,757
6,730,153	4,401,018	2,884,239	1,425,756	1,378,035	3,042,411	2,533,682
$ 1,152,461	$ 2,659,661	$ 2,539,665	$ 1,971,088	$ 1,302,878	$ (1,544,894)	$ 7,459,017
$23,214,591	$22,062,130	$19,402.469	$16,862,804	$14,891,716	$13,588,838	$15,133,732
2.4 to 1	3.7 to 1	3.3 to 1	4.4 to 1	4.7 to 1	6.2 to 1	4.0 to 1
$81,312,624	$69,086,308	$54,378,377	$38,090,364	$33,340,156	$31,409,966	$40,211,828
4,284	3,818	2,933	2,177	2,223	2,476	2,595
$23,552,660	$17,842,507	$15,345,889	$11,399,853	$11,046,274	$11,578,142	$11,989,583
4,300	3,306	2,925	2,236	1,930	1,960	2,020
$32,607,741	$28,098,619	$24,051,153	$21,018,445	$19,466,327	$18,768,819	$19,093,522
1,628,050	1,623,030	1,079,713	1,072,693	1,072,393	1,072,393	1,072,393
5,307	4,978	4,032	4,230	4,179	3,575	3,521
$ 4.23	$ 3.82	$ 2.77	$ 1.63	$ 1.10	$ .53	$ 2.33
$ 1.50	$ 1.35	$ 1.00	$ .67	$ .67	$ .73	$ .70
-	-	-	-	-	-	5%
$20.03	$17.31	$14.85	$13.06	$12.10	$11.67	$11.87

1010

PIPER
AIRCRAFT CORPORATION

1970 ANNUAL REPORT

- EXECUTIVE OFFICES AND MANUFACTURING PLANT / Lock Haven, Pennsylvania 17745
- OTHER MANUFACTURING PLANTS / Piper, Pennsylvania 16845 / Renovo, Pennsylvania 17764
  Vero Beach, Florida 32960 / Lakeland, Florida 33801
- SUBSIDIARIES / PIPER AIRCRAFT INTERNATIONAL S.A. / Geneva, Switzerland
  PIPER AVIACAO DO BRASIL LIMITADA / Rio De Janeiro, Brazil

DIRECTORS

W. T. PIPER, JR., Chairman, Lock Haven, Pa.
LAWRENCE R. BARNETT, New York, N. Y.
C. LEONARD GORDON, New York, N. Y.
JOSEPH M. MERGEN, Lock Haven, Pa.
DUDLEY C. PHILLIPS, Greenwich, Conn.
HOWARD PIPER, Lock Haven, Pa.
W. GORDON ROBERTSON, Bangor, Me.
JAMES J. ROCHLIS, New York, N. Y.
NICOLAS M. SALGO, Greenwich, Conn.
DAVID W. WALLACE, Greenwich, Conn.

* Member of Executive Committee

OFFICERS

W. T. PIPER, JR., Chairman of the Board
NICOLAS M. SALGO, Chairman of the Executive Committee
JOSEPH M. MERGEN, President
HOWARD PIPER, Executive Vice President
THOMAS W. GILLESPIE, Senior Vice President - Marketing and Sales
CHARLES W. POOL, Senior Vice President - Finance and Administration
WALTER C. JAMOUNEAU, Vice President - Lock Haven Engineering
J. WILLARD MILLER, Vice President - Marketing and New Product Development
EUGENE L. STICKLEY, Vice President - Plans and Programs
PAUL F. CATTONI, Controller
[illegible] LEESON, Treasurer
[illegible] J. MARTIN, Secretary

AUDITORS

ARTHUR YOUNG & COMPANY New York, N. Y.

INSURANCE BROKER

BROWN, CROSBY & CO., INC. New York, N. Y.

TRANSFER AGENT

MANUFACTURERS HANOVER TRUST CO. New York, N. Y.

REGISTRAR

BANKERS TRUST COMPANY New York, N. Y.

ADVERTISING AGENCY

FRIEDLICH, FERRON & STROHMEIER, INC. New York, N. Y.

1012

LIBRARY COPY
PLEASE RETURN

JAN 31 1972

GEORGESON & CO.
[illegible] WALL STREET
NEW YORK, N. Y. [illegible]

PIPER
AIRCRAFT CORPORATION

1970 ANNUAL REPORT

- EXECUTIVE OFFICES AND MANUFACTURING PLANT / Lock Haven, Pennsylvania 17745
- OTHER MANUFACTURING PLANTS / Piper, Pennsylvania 16845 / Renovo, Pennsylvania 17764
  Vero Beach, Florida 32960 / Lakeland, Florida 33801
- SUBSIDIARIES / PIPER AIRCRAFT INTERNATIONAL S.A. / Geneva, Switzerland
  PIPER AVIACAO DO BRASIL LIMITADA / Rio De Janeiro, Brazil

DIRECTORS

W. T. PIPER, JR., Chairman, Lock Haven, Pa.
LAWRENCE R. BARNETT, New York, N. Y.
* C. LEONARD GORDON, New York, N. Y.
JOHN J. MARTIN, Greenwich, Conn.
* JOSEPH M. MERGEN, Lock Haven, Pa.
DUDLEY C. PHILLIPS, Greenwich, Conn.
JAMES J. ROCHLIS, New York, N. Y.
* NICOLAS M. SALGO, Greenwich, Conn.
HERBERT J. SIEGEL, New York, N. Y.
* DAVID W. WALLACE, Greenwich, Conn.

* Member of Executive Committee

OFFICERS

W. T. PIPER, JR., Chairman of the Board
NICOLAS M. SALGO, Chairman of the Executive Committee
JOSEPH M. MERGEN, President
HOWARD PIPER, Executive Vice President
THOMAS W. GILLESPIE, Senior Vice President - Marketing and Sales
WALTER C. JAMOUNEAU, Vice President - Lock Haven Engineering
J. WILLARD MILLER, Vice President - Marketing and New Product Development
DUDLEY C. PHILLIPS, Vice President and General Counsel
EUGENE L. STICKLEY, Vice President - Plans and Programs
JACK J. CATTONI, Controller
JOHN R. LEITSON, Treasurer
JOHN J. MARTIN, Secretary

AUDITORS

ARTHUR YOUNG & COMPANY New York, N. Y.

INSURANCE BROKER

BROWN, CROSBY & CO., INC. New York, N. Y.

TRANSFER AGENT

MANUFACTURERS HANOVER TRUST CO. New York, N. Y

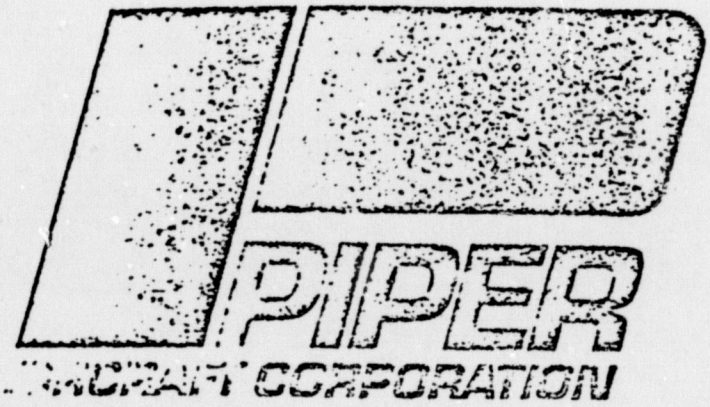
REGISTRAR

BANKERS TRUST COMPANY New York, N. Y.

ADVERTISING AGENCY

FRIEDLICH, FEARON & STROHMEIER, INC. New York, N.

1014



1972 ANNUAL REPORT

EXECUTIVE OFFICES AND MANUFACTURING PLANT / Lock Haven, Pennsylvania 17745
OTHER MANUFACTURING PLANTS / Piper, Pennsylvania 16345 / Renovo, Pennsylvania 17764
Vero Beach, Florida 32960 / Lakeland, Florida 33801
FOREIGN SUBSIDIARIES / PIPER AIRCRAFT INTERNATIONAL S.A. / Geneva, Switzerland
PIPER AVIACAO DO BRASIL LIMITADA / Rio De Janeiro, Brazil

DIRECTORS

* W. T. PIPER, JR., Chairman, Lock Haven, Pa.
* LAWRENCE R. BARNETT, New York, N. Y.
C. LEONARD GORDON, New York, N. Y.
JOHN J. MARTIN, Greenwich, Conn.
* JOSEPH M. MERGEN, Lock Haven, Pa.
DUDLEY C. PHILLIPS, Greenwich, Conn.
JAMES J. ROCHLIS, New York, N. Y.
* NICOLAS M. SALGO, Greenwich, Conn.
HERBERT J. SIEGEL, New York, N. Y.
* DAVID W. WALLACE, Greenwich, Conn.

* Member of Executive Committee

OFFICERS

W. T. PIPER, JR., Chairman of the Board
NICOLAS M. SALGO, Chairman of the Executive Committee
JOSEPH M. MERGEN, President
HOWARD PIPER, Executive Vice President
THOMAS W. GILLESPIE, Senior Vice President - Marketing and Sales
FINDLEY A. ESTLICK, Vice President - General Manager - Lock Haven Plant
WALTER C. JAMOUNEAU, Vice President - Lock Haven Engineering
DUDLEY C. PHILLIPS, Vice President and General Counsel
CORNELL J. SLIVINSKY, Vice President - General Manager - Vero Beach Plant
JACK J. CATTONI, Controller
JOHN R. LEESON, Treasurer
JOHN J. MARTIN, Secretary

AUDITORS
ARTHUR YOUNG & COMPANY New York, N. Y.

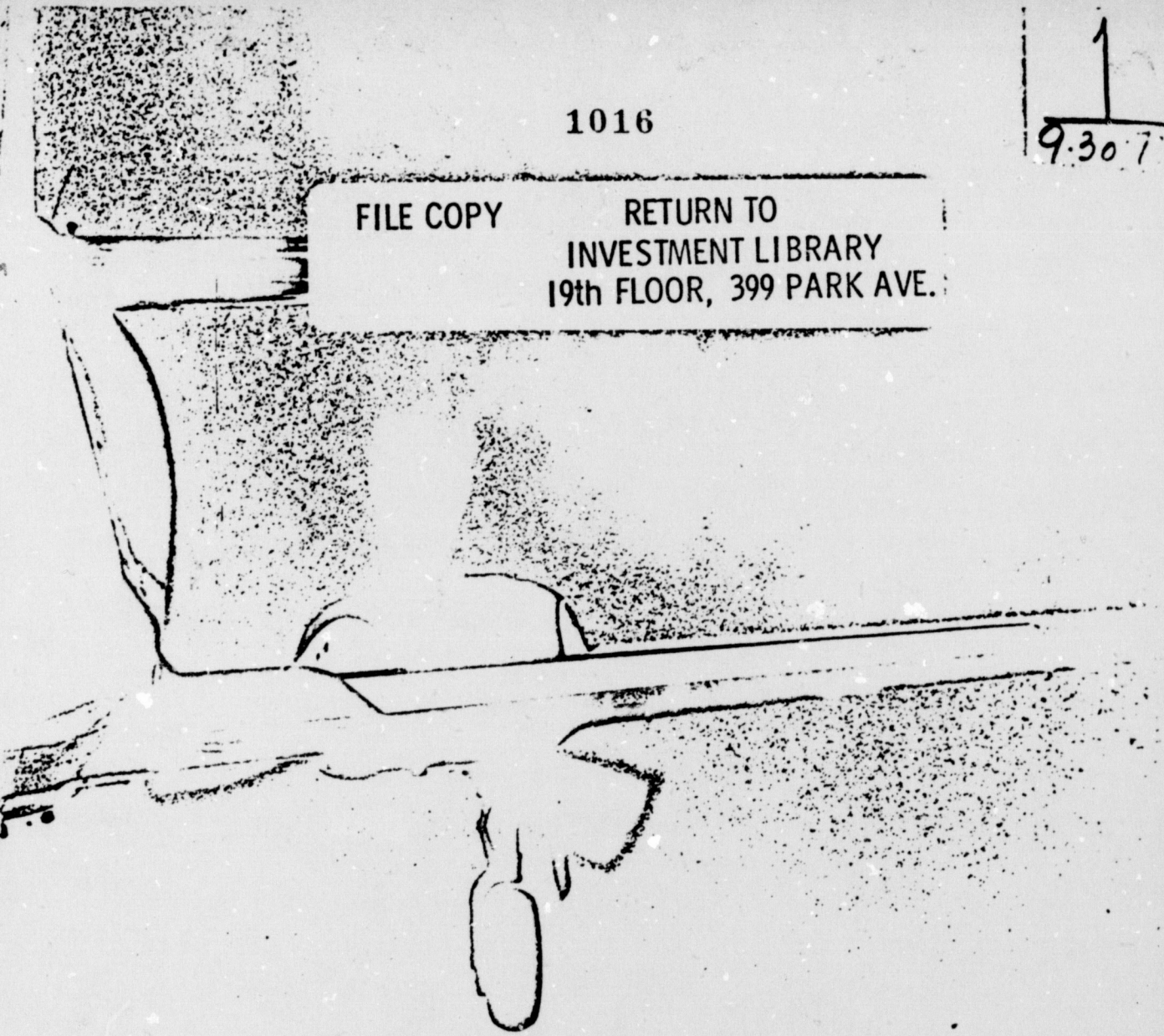
TRANSFER AGENT
MANUFACTURERS HANOVER TRUST CO. New York,

REGISTRAR
BANKERS TRUST COMPANY New York, N. Y.

1016

1
9.30.1

FILE COPY RETURN TO
INVESTMENT LIBRARY
19th FLOOR, 399 PARK AVE.



PIPER AIRCRAFT CORPORATION

Annual Report 1973

FIRST [illegible]
DEC 29 [illegible]
309 PARK [illegible]

EXECUTIVE OFFICES AND MANUFACTURING PLANT / Lock Haven, Pennsylvania 17745
OTHER MANUFACTURING PLANTS / Piper, Pennsylvania 16845 / Renovo, Pennsylvania 17764
Vero Beach, Florida 32960 / Lakeland, Florida 33801
FOREIGN SUBSIDIARIES / PIPER AIRCRAFT INTERNATIONAL S.A. / Geneva, Switzerland
PIPER AVIACAO DO BRASIL LIMITADA / Rio De Janeiro, Brazil

RECTORS

ICOLAS M. SALGO, Chairman, Greenwich, Conn.
AWRENCE R. BARNETT, New York, N. Y.
AVID F. LINOWES, New York, N. Y.
OHN J. MARTIN, Greenwich, Conn.
OSEPH M. MERGEN, Lock Haven, Pa.
UDLEY C. PHILLIPS, Greenwich, Conn.
. T. PIPER, JR., Lock Haven, Pa.
AMES J. ROCHLIS, New York, N. Y.
ERBERT J. SIEGEL, New York, N. Y.
AVID W. WALLACE, Greenwich, Conn.

• Member of Executive Committee

FICERS

COLAS M. SALGO, Chairman of the Board
VID W. WALLACE, Chairman of the Executive Committee
SEPH M. MERGEN, President
OMAS W. GILLESPIE, Senior Vice President - Marketing and Sales
HARD B. STOCKTON, Vice President - Finance
LTER C. JAMOUNEAU, Vice President - Product Safety
RION J. DEES, JR., Vice President - Engineering
DLEY C. PHILLIPS, Vice President and General Counsel
DLEY A. ESTLICK, Vice President - General Manager - Lock Haven Plant
RNELL J. SLIVINSKY, Vice President - General Manager - Vero Beach Plant
CK J. CATTONI, Controller
HN R. LEESON, Treasurer
HN J. MARTIN, Secretary

AUDITORS

ARTHUR YOUNG & COMPANY New York, N. Y.

TRANSFER AGENT

MANUFACTURERS HANOVER TRUST CO. New York, N. Y.

REGISTRAR

BANKERS TRUST COMPANY New York, N. Y.

Facts in Brief (years ended September 30)

INCOME	1973	1972
Sales	$127,614,000	$74,623,000
Income before income taxes and extraordinary item	8,778,000	3,789,000
Income taxes	4,422,000	1,935,000
Income before extraordinary item	4,356,000	1,854,000
Flood loss, less $8,121,000 of applicable income tax credits	—	(6,848,000)
Net income (loss)	4,356,000	(4,994,000)
Per share of common stock:		
Income before extraordinary item	2.65	1.13
Flood loss	—	(4.16)
Net income (loss)	2.65	(3.03)

OTHER		
Working capital	$ 42,592,000	$27,448,000
Ratio of current assets to current liabilities	2.6 to 1	2.1 to 1
Total stockholders' equity	34,788,000	30,431,000
Stockholders equity per share of common stock	21.15	18.50
Number of employees	5,241	4,467
Number of stockholders	1,394	1,507

SALES DOLLAR VOLUME ('000s)

	1973	1972	1971
Planes	$116,670	$ 67,298	$ 55,245
Other services and parts	10,944	7,325	7,965
	$127,614	$ 74,623	$ 63,210
Estimated commercial sales by the industry*	$475,000	$250,000	$210,000
Piper's percentage	26.9%	29.9%	30.1%

* Excluding jets and turbo-props

SALES IN UNITS

	1973	1972	1971
Super Cub	6	40	56
Pawnee/Brave	61	86	129
Cherokee	1,443	964	836
Cherokee Arrow	435	355	273
Cherokee Six	260	166	164
Comanche	2	30	54
Twin Comanche	3	26	51
Seneca	339	335	13
Aztec	308	116	199
Navajo/Chieftain	191	91	31
Pressurized Navajo	61	23	30
Total Piper Sales	3,107	2,232	1,846
Estimated Industry Sales*	12,240	8,777	6,950
Piper's Percentage	25%	25%	28%

* Excluding jets and turbo-props

TO ALL PIPER SHAREHOLDERS:

Fiscal 1973 was a significant year for Piper Aircraft Corporation as the Company recovered from a destructive flood at one of its major facilities and went on to record its best sales year in history. Major events included the startup of an assembly plant at Lakeland, Florida and the announcement of a new turboprop model, the Cheyenne, that is expected to have a very promising market acceptance.

Piper increased its sales 71% in 1973 to $127,614,000 resulting in a net income of $4,356,000. This compares with sales in 1972 of $74,623,000 and income of $1,854,000 before an extraordinary loss of $6,848,000 which produced a net loss of $4,994,000 for the 1972 fiscal year. The extraordinary loss in 1972 resulted from the destructive effects of the Hurricane Agnes flood in June, 1972. Results for 1973 would have been further improved if production efforts in the last part of the year had not been hampered by material shortages and the resulting delays and inefficiencies.

In September 1973, Piper announced "the world's newest corporate turboprop aircraft", the Cheyenne, at the National Business Aircraft Association Convention. The initial reaction to the Cheyenne indicates it will capture a major share of the growing turboprop plane market which is forecast to increase by at least 70% in the next five years. At a $429,000 base list price, the Cheyenne carries as standard equipment many systems which owners have to buy as options on more expensive competitive aircraft.

During 1973, Piper saw its new Navajo Chieftain, which is in production at the Lakeland, Florida and Lock Haven, Pennsylvania plants, become the fastest selling aircraft of its type in the world. In the medium twin aircraft category, Navajos have accounted for 1,060 units of the total 2,280 units sold industry-wide in the past ten years. Combined sales of Piper's twin engine aircraft—Navajos, Aztecs and Senecas—now account for nearly one third of the world's twin engine general aviation aircraft sales.

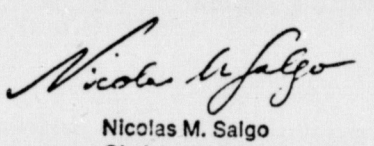
Piper's achievements in 1973 included the introduction of new and improved aircraft, expanded production facilities, an increase in market share in key product areas, an expansion in dealer outlets, and new flight training programs incorporating the latest audio-visual techniques. The Company consolidated its domestic and international sales organizations into a stronger, more cohesive unit. International sales increased by over 80% accounting for 32% of Piper's total.

Piper is now in a position to offer logical step-ups in aircraft from trainers through turboprops and is attracting and training new pilots through its franchised "Flite Centers". Piper took a big step forward in recapturing its former position as the trainee's aircraft company with the introduction of a new Piper Instructional Program featuring individualized teaching in both flight and ground instruction through the latest audio-visual presentations. More than 300 Piper Flite Centers will be capable of providing this new automated pilot teaching course. In addition to the private pilot course, a combined commercial/instrument course is scheduled for completion in January 1974. Piper expects to be the first aircraft manufacturer to offer an audio visual multi-engine training course. In addition, it is also introducing a series of "challenge courses" for licensed pilots who wish to upgrade their knowledge and skills.

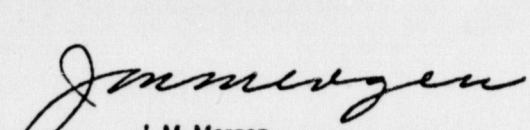
During the year W. T. Piper, Jr. resigned his position as Chairman of the Board, though he continues as a Director, and Nicolas M. Salgo was elected to this position. David W. Wallace was elected Chairman of the Executive Committee. C. Leonard Gordon resigned as a Director and David F. Linowes was elected to replace him.

Howard Piper resigned from his position of Executive Vice President. Richard B. Stockton was elected Vice President of Finance and Marion J. Dees, Jr., was elected Vice President of Engineering for the corporation.

Piper has a strong backlog of orders and relatively low distributor and dealer inventories. It is expected, however, that the fuel and energy shortage will have an adverse effect on general aviation industry sales and profits in 1974. Various federal programs regulating the use of energy have been proposed and some of these include provisions severely restricting the amount of fuel available for general aviation purposes. We are unable to determine to what extent Piper's sales and profits will be affected until after such programs are adopted and the amount of fuel to be allocated to the various users of general aviation aircraft is known.



Nicolas M. Salgo
Chairman of the Board



J. M. Mergen
President

Consolidated Statement Of Income And Retained Earnings

Years ended September 30, 1973 and 1972	1973	1972
SALES	$127,614,462	$74,622,744
Cost of sales	108,522,702	64,120,635
Gross profit from sales	19,091,760	10,502,109
Selling and shipping expenses	6,583,315	4,277,900
Administrative and general expenses	3,129,434	2,050,640
	9,712,749	6,328,540
Operating income	9,379,011	4,173,569
Interest and other income	257,253	232,355
Interest expense	(857,978)	(617,238)
Income before income taxes and extraordinary item	8,778,286	3,788,686
Provision for income taxes (Note 4)	4,422,000	1,934,946
Income before extraordinary item	4,356,286	1,853,740
Flood loss, less $8,121,000 of applicable income tax credits (Note 2)	—	(6,848,000)
NET INCOME (LOSS)	4,356,286	(4,994,260)
Retained earnings at beginning of year	19,539,730	24,533,990
Retained earnings at end of year (Note 3)	$ 23,896,016	$19,539,730
Per share of common stock:		
Income before extraordinary item	$2.65	$ 1.13
Flood loss	—	(4.16)
Net income (loss)	$2.65	$ (3.03)

See accompanying notes.

Consolidated Statement Of Changes In Financial Position

Years ended September 30, 1973 and 1972	1973	1972
Source of funds:		
Operations:		
Income before extraordinary item	$ 4,356,286	$ 1,853,740
Charges to income not involving working capital:		
Depreciation	2,050,710	1,746,220
Deferred income taxes	793,900	117,000
	7,200,896	3,716,960
Flood loss	—	(6,848,000)
Loan from Small Business Administration	12,000,000	—
Other — net	71,112	65,196
	19,272,008	(3,065,844)
Application of funds:		
Additions to property, plant and equipment — net	4,128,131	1,489,967
Increase (decrease) in working capital	$15,143,877	$ (4,555,811)
Changes in components of working capital:		
Increases (decreases) in current assets:		
Cash	$ 272,282	$ (796,480)
Receivables	2,337,944	(794,598)
Federal income tax refund	(7,500,000)	5,613,400
Inventories	22,554,514	3,725,987
Prepaid expenses	348,099	364,739
	18,012,839	8,113,048
Increases (decreases) in current liabilities:		
Notes payable	(500,000)	4,000,000
Accounts payable	2,485,208	4,335,552
Accrued expenses	883,754	4,333,307
	2,868,962	12,668,859
Increase (decrease) in working capital	$15,143,877	$ (4,555,811)

See accompanying notes.

Consolidated Balance Sheet

September 30, 1973 and 1972

ASSETS	1973	1972*
Current assets:		
Cash	$ 1,971,212	$ 1,698,930
Receivables:		
Accounts receivable	5,298,299	2,636,343
Insurance claim	2,000,000	2,000,000
Notes receivable	707,386	1,031,398
Allowance for doubtful accounts	(405,000)	(405,000)
Net receivables	7,600,685	5,262,741
Federal income tax refund (Note 4)	—	7,500,000
Inventories:		
Finished airplanes	7,001,797	2,522,603
Service parts	4,286,260	2,577,581
Work in process	31,983,061	21,693,954
Purchased materials, parts and supplies	15,556,006	9,478,472
Total inventories	58,827,124	36,272,610
Prepaid expenses	1,177,734	829,635
Total current assets	69,576,755	51,563,916
Property, plant and equipment, at cost:		
Land	1,061,072	1,046,151
Buildings	14,913,344	14,256,617
Machinery and equipment	8,834,126	7,379,924
Tools, jigs and dies	3,889,088	2,882,081
	28,697,630	25,564,773
Less accumulated depreciation	12,887,649	11,832,213
Net property, plant and equipment	15,809,981	13,732,560
Deferred charges and other assets	206,998	278,110
	$85,593,734	$65,574,586

See accompanying notes.

* Restated to confor

LIABILITIES AND STOCKHOLDERS' EQUITY	1973	1972*
Current liabilities:		
Notes payable to banks	$ 5,500,000	$ 2,000,000
2% note payable — Clinton County Industrial Development Authority	—	4,000,000
Accounts payable	10,856,206	8,370,998
Accrued flood expense	214,000	2,475,000
Salaries and wages	3,130,256	2,848,711
Accrued pension liability	2,724,711	2,096,426
Income taxes payable	3,157,000	1,041,913
Other accrued expenses	1,402,909	1,283,072
Total current liabilities	26,985,082	24,116,120
Long term debt (Note 3):		
5⅞% notes due 1975-1984	10,000,000	10,000,000
1% notes payable to Small Business Administration	12,000,000	—
	22,000,000	10,000,000
Deferred income taxes (Note 4)	1,820,950	1,027,050
Litigation and contingencies (Note 7)		
Stockholders' equity:		
Preferred stock, par value $5 per share:		
Authorized — 100,000 shares; none issued		
Common stock, par value $1 per share (Note 5):		
Authorized — 5,000,000 shares		
Issued and outstanding — 1,644,790 shares	1,644,790	1,644,790
Additional paid-in capital	9,246,896	9,246,896
Retained earnings (Note 3)	23,896,016	19,539,730
Total stockholders' equity	34,787,702	30,431,416
	$85,593,734	$65,574,586

73 presentation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 1973 and 1972

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of financial statements

The consolidated statements include the Company's domestic subsidiaries and Piper Aircraft International S.A., a Swiss Corporation. All intercompany accounts and transactions are eliminated.

Notes and accounts receivable

Portions of the Company's installment receivables are sold to financial institutions under varying arrangements, some with recourse. The remaining portions of such receivables, due in periods generally from one to five years, are included in current receivables.

Inventories

Inventories of purchased materials, parts and supplies are stated at the lower of cost (on the first-in, first-out method) or replacement market. Work in process, service parts and finished airplanes are stated at standards which approximate cost on the first-in, first-out method, reduced, when appropriate, to estimated selling price less selling expenses.

Income taxes

Provision is made for income taxes deferred as a result of timing differences between financial and tax reporting of depreciation, pension costs and undistributed earnings of subsidiaries.

Investment tax credits, the amounts of which are not material, have been applied as a reduction of the provisions for federal income tax.

Property, plant and equipment and accumulated depreciation

Expenditures for additions to plant facilities or which increase the life of the plant are capitalized. Expenditures for maintenance and repairs are charged to income as incurred.

Depreciation is calculated using straight line rates and the composite account method. The cost of property, plant and equipment sold or retired is removed from the asset accounts and such cost, less proceeds or salvage, is charged against accumulated depreciation. The depreciation rates are based on the following estimated useful lives:

Land improvements	— 20 years
Improvements to leased property	— life of lease
Buildings and building equipment	— 25 to 40 years
Machinery and equipment	— 10 years
Tools, dies and jigs	— 3 years

Research and development

Research and development costs are charged to current operations.

Pensions

The Company has trusteed and other retirement plans covering substantially all of its employees under which the costs of benefits are currently accrued. Such annual costs include amortization of past service costs over 30 years.

2. FLOOD LOSS

In June 1972 a serious flood interrupted production and caused extensive damage to inventory and other assets at the Company's plant in Lock Haven, Pennsylvania, where all but one of the Company's twin engine and certain of its single engine aircraft models were produced.

The flood loss charged to 1972 income as an extraordinary item reflects: (1) estimated losses on inventory (which, after allowance for salvage, approximated $11,800,000), (2) allowance for indirect expenses which would have been applicable to the lost production and sales, and (3) general costs of repair and rehabilitation. The flood loss has been reduced by insurance recoveries and by applicable income tax credits.

3. LONG TERM DEBT

The 5¾% notes are due in annual installments of $1,000,000 commencing on May 1, 1975. The 1% Small Business Administration (SBA) loan is due in

1992 and calls for minimum annual payments of $444,000 commencing in October 1975, subject to acceleration clauses related to the Company's net income. The Company has mortgaged substantially all its land and buildings as security for these loans. The SBA loan provides that $8,000,000 in principal amount is subordinate to the 5⅞% notes.

Under the Company's loan agreement with the SBA, aggregate dividends may be paid only to the extent of the lesser of principal payments on its long term debt, the earliest of which payments is due May 1975, or 35% of net income (as defined) since October 1, 1972. Any of the long-term debt may be prepaid at any time; however, with respect to the 5⅞% notes, there is a prepayment premium. No such payments have been made.

The annual aggregate long term debt maturing during the next five years (subject to adjustments which may arise as a result of the acceleration clauses in the SBA loan agreement) are as follows: 1974 — none; 1975-1978 — $1,444,000.

4. INCOME TAXES

The provision for income taxes, excluding amounts applicable to the extraordinary item, is composed of:

	1973	1972
Federal	$ 3,065,100	$ 1,520,000
State and Foreign ..	563,000	297,946
Deferred	793,900	117,000
	$ 4,422,000	$ 1,934,946

The flood loss in 1972 resulted in a Federal income tax refund of $7,372,000, arising from a carryback against prior years' taxable income, and a $749,000 reduction of Federal and state income taxes in 1972.

5. EMPLOYEE BENEFIT PLANS

The cost of all pension plans was $1,900,000 in 1973 compared to $1,800,000 in 1972. An amendment made to one of the Company's pension plans in September 1973 is not expected to have a material effect on the results of operations. After the amendment unfunded past service costs of all plans approximated $10,000,000 ($9,000,000 at September 30, 1972); the actuarially computed value of vested benefits is fully provided.

Under a bonus plan for salaried employees based on annual corporate income (as defined), no amounts were payable with respect to the years ended September 30, 1973 and 1972.

At September 30, 1973, 38,800 shares of common stock were reserved under the Company's stock option plan; no options were outstanding at that date. No options were granted during 1973 and 1972. Options on 2,325 shares expired during 1973.

6. FOREIGN OPERATIONS

Sales to distributors and dealers located outside the United States accounted for approximately 32% of sales in 1973 (30% in 1972); at September 30, 1973 $3,660,000 of accounts and notes receivable were due from such persons ($2,726,000 at September 30, 1972). Inventories outside the United States (principally in Switzerland) approximated $1,576,000 at September 30, 1973 ($345,000 at September 30, 1972).

7. LITIGATION AND CONTINGENCIES

Bangor Punta Corporation currently holds approximately 52% of the Company's outstanding stock and Chris-Craft Industries, Inc. holds approximately 43% of the Company's outstanding stock. In an action brought by the Securities and Exchange Commission against Bangor Punta, Bangor Punta has been ordered to offer rescission of an exchange offer made by it in 1969 to the former shareholders of approximately 110,000 of the Company's shares. If all such persons accepted the offer of rescission, Bangor Punta would then own approximately 45% of the Company's outstanding stock. Bangor Punta has informed the Company that it is now in the process of preparing this rescission offer.

In 1969, Chris-Craft brought an action against the Company, Bangor Punta and others alleging a conspiracy to frustrate Chris-Craft's acquisition of shares of the Company and seeking damages of $45 million. In March 1973 an appellate court remanded the matter to a lower court with the direction to enter judgment assessing money damages jointly and severally against Bangor Punta, two of its principal officers, First Boston Corporation and three members of the Piper family. The Court of Appeals decision also stated that no liability should be imposed on the Company and directed the district court to determine

whether two officers of First Boston (one of whom is no longer with that Company) should also be liable for damages to Chris-Craft. The Court of Appeals stated that the measure of damages should be the reduction in the appraisal value of Chris-Craft's Piper holdings attributable to Bangor Punta taking a majority position and reducing Chris-Craft to a minority position and thus being able to compel a merger at any time. It also directed that the judgment include an injunction barring Bangor Punta from voting for a period of at least five years 231,002 shares (approximately 14% of the total outstanding) of the Company's common stock less the number of shares, if any, returned to former Piper shareholders pursuant to the rescission offer referred to in the preceding paragraph. On October 15, 1973 the U.S. Supreme Court denied petitions for certiorari which had been filed by certain defendants in the action. As a consequence no liability will be imposed on Piper.

In May 1972 a stockholder on her own behalf, and on behalf of a class of Piper shareholders, brought an action against the Company, certain of its present and former officers and directors and Bangor Punta alleging false and misleading statements and material omissions regarding tender offers of Chris-Craft and Bangor Punta and seeking damages of $25 million. The same stockholder brought a similar action against the same parties and others in July 1969 on her own behalf and subsequently converted the action into a class action for damages. These two cases are still in the pre-trial stage.

The Company also is a defendant in an action brought by a former distributor claiming treble damages of $2,010,000 based on the Company's alleged violation of federal anti-trust laws.

In the opinion of the Vice President and General Counsel to the Company, based on an opinion of special counsel, the ultimate disposition of the actions described in the four preceding paragraphs will not have a material adverse effect on the Company's financial position or results of operations.

A fee for services rendered by the financial advisor to the Company will be payable by Bangor Punta when and if the legality of the acquisition of its present holdings of the Company's stock is sustained. Amounts payable, if any, by the Company in the event that such legality is not sustained have not yet been determined but would not, in the opinion of Management, be material to the Company's financial position.

The Company is a defendant in a number of lawsuits involving products liability claims of material amounts, some involving claims for punitive or exemplary damages, and additional similar claims may be filed with respect to products sold prior to September 30, 1973. Management has periodically reviewed the Company's insurance coverage for products liability claims and has increased such coverage at times and in amounts considered appropriate. In the opinion of Management, the products liability insurance is adequate to cover liabilities. However, it is possible that in the light of present conditions, such insurance could prove to be inadequate. It cannot be determined at this time whether the Company will be required to make any payments because of inadequate insurance and, if so required, whether or not such amounts will be material.

8. EVENTS SUBSEQUENT TO THE DATE OF THE REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

On November 16, 1973 an action was filed in the United States District Court for the Western District of Missouri against the Company and certain other persons by a former Company dealer purporting to be a class action on behalf of certain of the Company's dealers and claiming treble damages of $150,000,000 based on alleged violations of federal anti-trust laws. In the opinion of the Vice President and General Counsel of the Company, based on a preliminary investigation of the facts and law in this matter, the ultimate disposition of this action will not have a material adverse effect on the Company's financial position or results of operation.

Following President Nixon's report to the nation in November concerning the severe shortage of all forms of energy, various federal programs regulating the use of energy have been proposed and some of these include provisions severely restricting the use of fuel for general aviation purposes. Such action and the other effects of the energy crisis could have an adverse effect on the Company's business. However, because of the many uncertainties involved, the Company is presently unable to estimate the effect the energy crisis will have on its business.

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

ARTHUR YOUNG & COMPANY

277 PARK AVENUE
NEW YORK, N. Y. 10017

The Board of Directors and Shareholders
Piper Aircraft Corporation:

We have examined the accompanying consolidated balance sheet of Piper Aircraft Corporation at September 30, 1973 and 1972 and the related consolidated statements of income and retained earnings and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, subject to such adjustments as may result from the resolution of the uncertainties referred to in Note 7 to the financial statements, the statements mentioned above present fairly the consolidated financial position of Piper Aircraft Corporation at September 30, 1973 and 1972 and the consolidated results of operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

Arthur Young & Company

ARTHUR YOUNG & COMPANY

November 13, 1973

Consolidated Five Year Review

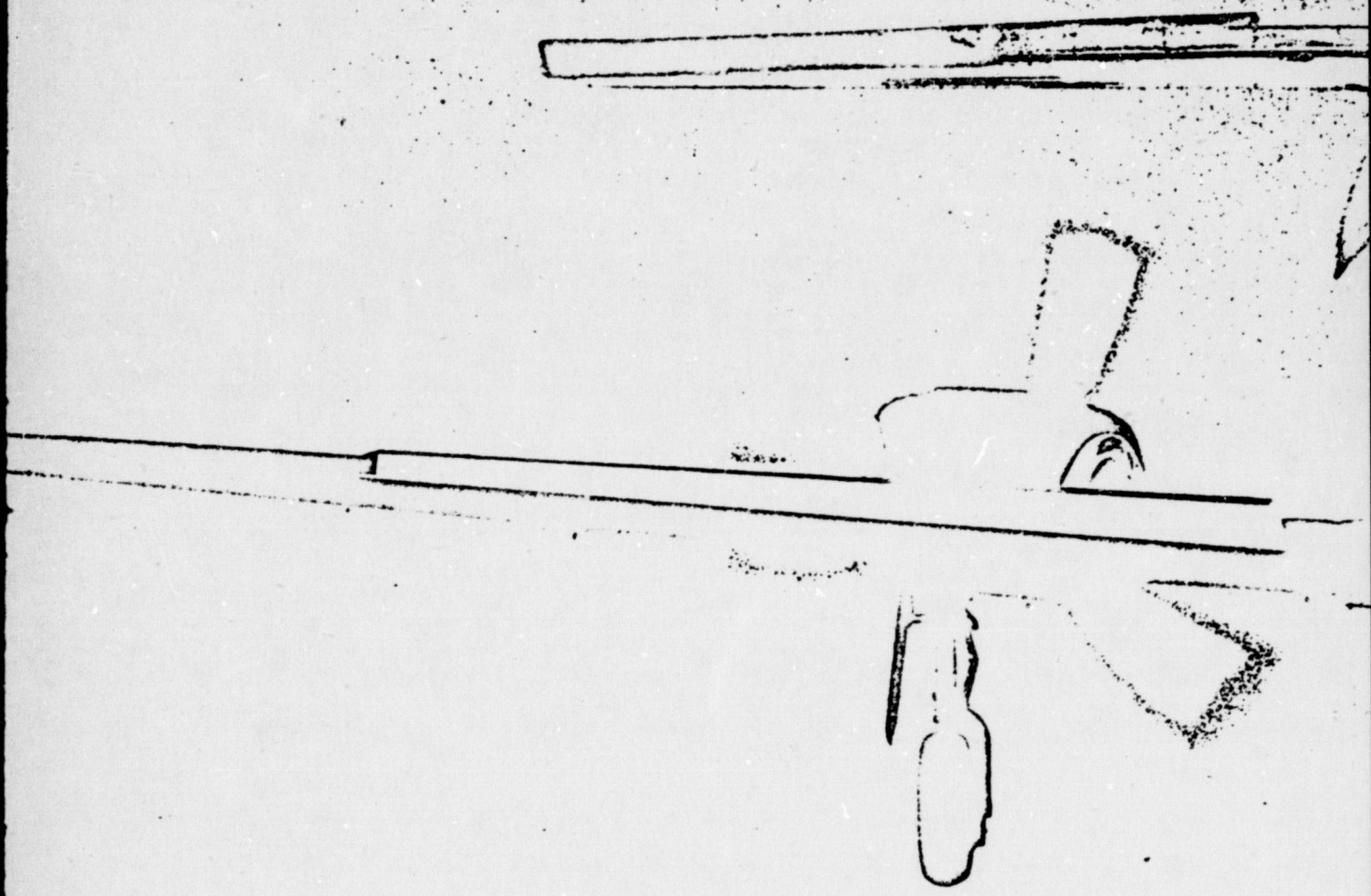
SOURCE AND DISPOSITION OF WORKING CAPITAL

Source of working capital:	1973	1972	1971	1970	1969
Operations:					
Income (loss) before extraordinary item	$ 4,356,286	$ 1,853,740	$(1,292,487)	$ (916,031)	$ 4,612,317
Depreciation	2,050,710	1,746,220	1,865,347	1,643,289	1,310,395
Deferred income taxes	793,900	117,000	245,550	125,500	507,000
Flood loss	—	(6,848,000)	—	—	—
Loan from Small Business Administration	12,000,000	—	—	—	—
Other — net	71,112	65,196	(81,676)	(21,003)	(29,667)
Common stock options exercised	—	—	—	—	283,082
	19,272,008	(3,065,844)	736,734	831,755	6,683,127
Disposition of working capital:					
Additions to property, plant and equipment — net	4,128,131	1,489,967	803,257	1,649,010	4,293,408
Cash dividends paid on common stock	—	—	—	—	2,299,271
Increase (decrease) in working capital	$ 15,143,877	$(4,555,811)	$ (66,523)	$ (817,255)	$ 90,448
WORKING CAPITAL AT END OF YEAR	$ 42,591,673	$27,447,796	$32,003,607	$32,070,130	$ 32,887,385
Ratio of current assets to current liabilities	2.6 to 1	2.1 to 1	3.8 to 1	3.4 to 1	2.9 to 1
SALES	$127,614,462	$74,622,744	$63,209,997	$68,372,013	$106,569,202
Units sold	3,107	2,232	1,946	2,144	4,077
WAGES AND SALARIES	$ 47,863,632	$30,258,789	$22,935,968	$24,260,621	$ 34,778,184
Number of employees at end of year	5,241	4,467	3,379	2,077	4,444
TOTAL STOCKHOLDERS' EQUITY	$ 34,787,702	$30,431,416	$35,425,676	$36,718,163	$ 37,634,194
Common shares outstanding at end of year	1,644,790	1,644,790	1,644,790	1,644,790	1,644,790
Number of stockholders	1,394	1,507	1,635	1,697	1,879
PER SHARE OF COMMON STOCK(a)					
Income (loss) before flood loss	$ 2.65	$ 1.13	$ (.79)	$ (.56)	$ 2.80
Flood loss	—	$(4.16)	—	—	—
Net income (loss)	$ 2.65	$(3.03)	$ (.79)	$ (.56)	$ 2.80
Dividends on common stock	—	—	—	—	$ 1.40
Stockholders' equity	$21.15	$18.50	$21.54	$22.32	$22.88

(a) Based on average common shares outstanding.

See accompanying notes.

1029



PIPER

PIPER AIRCRAFT CORPORATION LOCK HAVEN, PENNSYLVANIA, U.S.A. 17745

1030

Plaintiff's
Exhibit
161

Bangor Punta Corporation
Annual Report
For the Year Ended September 30
1969

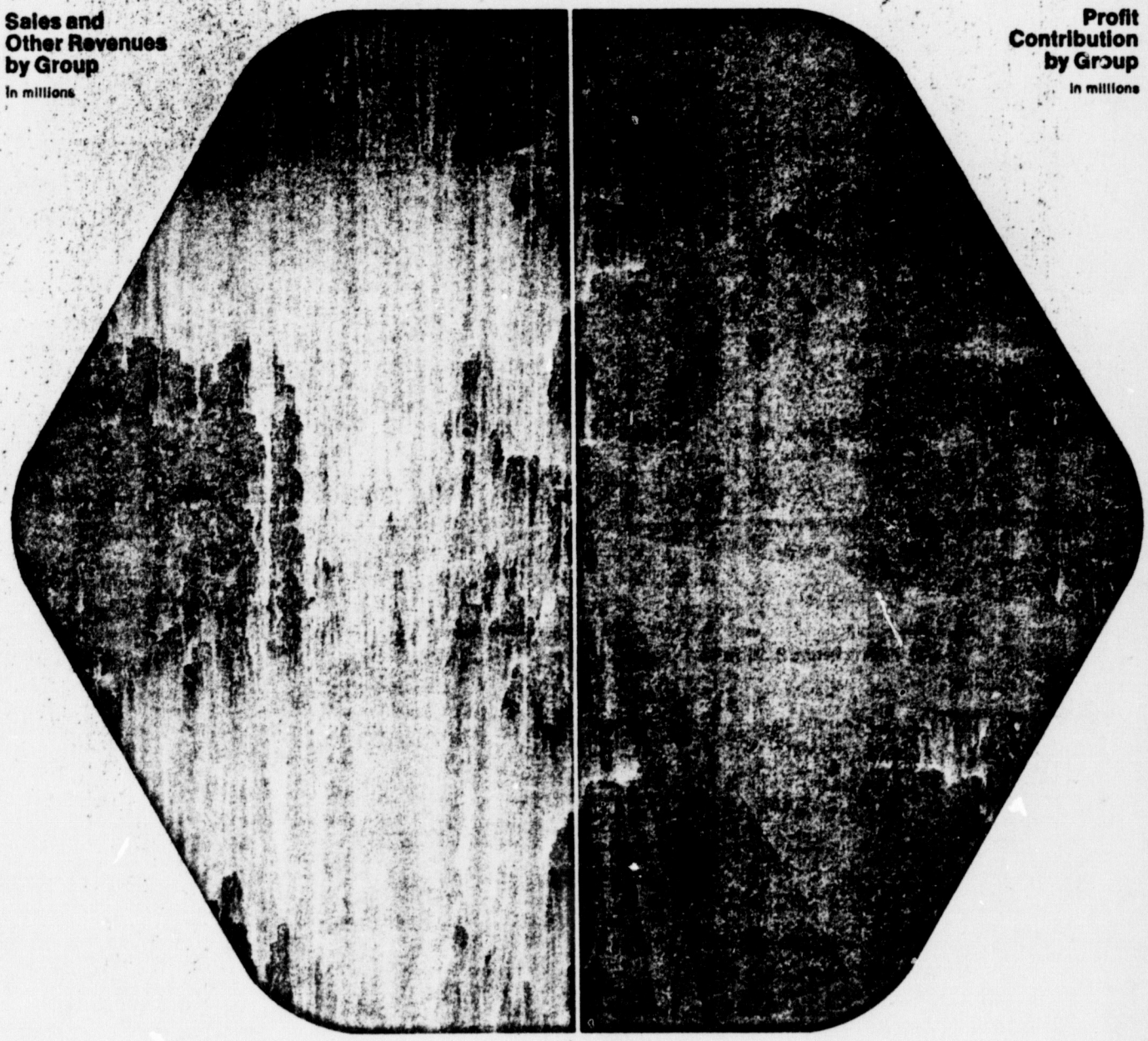


Contents

Bangor Punta Today 3
Financial Highlights 3
Letter to Shareholders 4
Review of Operations 6
Operating Results by Group 26
Financial Review 27
Six Year Highlights 29
Financial Statements 30
Notes to Financial Statements 33
Accountants' Report 35
Corporate Information 36

Sales and Other Revenues by Group

In millions



Profit Contribution by Group

In millions

Corporate and Other Revenues $2.0

Bangor Punta is committed to the continued development of its leadership positions in selected growth markets. These include Leisure Time, Public Security Equipment, Energy Systems, Professional Engineering Services and, most recently, General Aviation. Our plan for growth emphasizes end-products—from concept and production through marketing to the ultimate user. Our products and services involve a high degree of engineering and technical skill, are generally the best-known names in their fields, have excellent reputations for quality, and historically provide a return on our investment well above the general average. The major components of our company were selected because of their strong market positions and proven marketing strengths. Our internal growth is increasingly the result of applying these strengths to accelerate the commercial development of new products and markets. We are extending our capabilities into overseas markets to assure a strong, long-term competitive posture and to take advantage of situations in which demand is accelerating faster than in the United States. Bangor Punta is evolving into a multi-national corporation actively pursuing both human and economic growth on a world-wide scale.

Financial Highlights

Years Ended September 30	1969	1968
Sales and Other Revenues	$334,130,000	$258,895,000
Revenues of Railroad	—	16,417,000
Sales and Other Revenues Excluding Railroad	334,130,000	242,478,000
Profit Contribution by Groups*	$ 23,479,000	$ 21,789,000
Corporate Financial and Administrative Expenses*	11,994,000	8,495,000
Operating Income before Federal Income Taxes	11,485,000	13,294,000
Provision for Federal Income Taxes	5,500,000	6,000,000
Earnings before Extraordinary Items	5,985,000	7,294,000
Extraordinary Items	(14,552,000)	949,000
Net Income (Loss)	$(8,567,000)	$ 8,243,000
Primary Earnings Per Share:		
Earnings before Extraordinary Items	$1.44	$2.40
Extraordinary Items	(4.27)	.31
Net Income (Loss)	$(2.83)	$2.71
Dividends Paid Per Share of Common Stock	$ .60	$ .60
Average Number of Shares Outstanding Including Common Stock Equivalents	3,407,000	3,052,000
Working Capital	$112,884,000	$120,157,000
Shareholders' Equity	$137,320,000	$113,513,000
Cash Flow from Operations	$ 13,290,000	$ 12,301,000
Addition to Property, Plant and Equipment	$ 10,854,000	$ 6,630,000
Dividends Paid:		
Preference Stocks	$ 1,454,000	$ 886,000
Common Stock	1,909,000	1,255,000
Total	$ 3,363,000	$ 2,141,000

* No corporate financial and administrative expenses are allocated to operating groups.







To Bangor Punta's Shareholders:

During 1969 several steps were taken that have greatly strengthened the Company and improved its growth potential notwithstanding the adverse effect these measures had on the year's earnings.

As part of a continuing process, the Company's operating organization and its investments in other companies were reviewed in relation to its programs and goals for future development. The results of this reappraisal were that we disposed of our railroad operations, sold marketable securities, and charged off as extraordinary items the excess cost over net assets of several acquired companies, as well as certain other non-operating items.

As reported to stockholders in our letter of December 2, and detailed in the Financial Review on page 27, these actions resulted in a net loss for the year of $8.6 million or $2.83 per share, after operating profits of $6 million or $1.44 per share.

The sale of the railroad has eliminated a potentially heavy burden on the Company's capital resources, with little prospect of an adequate return, and permits these resources to be invested in higher-yielding opportunities with greater growth potential.

Internal Expansion and New Products

During 1969 Bangor Punta made capital expenditures of $10.9 million to expand and improve its operations. Of this total, $3.4 million represented capital improvements in the Leisure Time group and $2.2 million expansion programs for the Public Security Equipment group. Moreover, the added costs and start-up expenses of these expansion programs diminished operating earnings in 1969 but should benefit future results.

Several new products were introduced by the Leisure Time group for 1970 and are receiving excellent market acceptance. These include new boats, notably

the all-new Ranger line, and two new lines of motor homes. This group also broadened its market coverage by the addition of Featherweight Corp., a Montreal manufacturer of snowmobiles and toboggans, and Yankee Motor Corp., an importer and distributor of lightweight motorcycles. Featherweight is being expanded and Bangor Punta is enabling Yankee to build in this country a new medium-weight motorcycle of its own design.

The addition of Jeanneau Constructions Nautiques, S.A., a major French boat manufacturer, and of Tyler Boat Company, a British manufacturer of fiberglass boat hulls, extended our Leisure Time interests into the rapidly growing European market. Domestic boat operations in this group were further expanded by the acquisition of Rent-A-Cruise of America, the nation's largest houseboat rental franchise operation.

The Public Security Equipment group was augmented by the addition of Identi-Kit, a producer of identification equipment for law enforcement agencies. An entirely new business, Smith & Wesson Security Services, Inc., has been created to provide a total systems approach to the security problems of banks, brokerage houses and other businesses.

Connell Associates, Inc., a professional engineering and consulting firm headquartered in Miami, Florida, joined the Professional Services group, which will be further expanded in 1970.

Entry Into General Aviation

Of great long-term significance is Bangor Punta's holding of more than 50% of the common stock of Piper Aircraft Corporation. A close and harmonious working relationship exists with the Piper management, and we believe that this company offers Bangor Punta a superior opportunity to participate in the growth of the general aviation industry. With the feeder airlines becoming largely jet powered and the trunk lines adding new jumbo jets, greatly enlarged airport facilities are required. These trends are opening a large new market for single and multi-engine propeller and turboprop aircraft for short haul commercial service, business use and private flying, providing access by air to smaller communities and airports throughout the nation and the world.

Outlook

Even under today's tight money conditions, with the limited availability and high cost of credit, Bangor Punta is adequately provided with long-term financial resources to support its growth programs.

We look upon the past year as a period of necessary re-evaluation and re-alignment of operations following a period of very rapid growth. Bangor Punta is a major factor in several of the most dynamic markets in the United States and abroad. We are committed to improving our position in these markets and to creating new opportunities for human and economic growth derived in large part from the talents and marketing capabilities now present within our total organization.

The Company has entered the current fiscal year in sound financial condition and is well prepared from an operational standpoint to deal with the highly competitive economic conditions expected in 1970.

December 15, 1969

Nicolas M. Salgo
Chairman of the Board

W. Gordon Robertson
Co-Chairman of the Board

David W. Wallace
President

Review of Operations

General Aviation Piper Aircraft Corporation manufactures 11 different models of aircraft, ranging from a specially-designed agricultural plane to the sophisticated, 247 miles-per-hour twin-engine Navajo. The Piper product line is sold and serviced by 415 dealers in the United States, while international markets are covered by 140 dealer outlets located in 90 countries.

A major reason for Piper's record sales in fiscal 1969 was continuing demand for the company's two heavy twin-engine aircraft—the six-seater Aztec and the six-to-nine-seater Navajo. Both models are being used in ever-increasing numbers around the world for corporate aircraft fleets, airline and commuter services, cargo hauling and mail delivery.

Piper's Cherokee Arrow, first introduced in the summer of 1967, remains the fastest selling single-engine retractable gear aircraft in the world. Offered with either a 180 horsepower or a 200 horsepower engine, the Arrow features a unique fail-safe gear extension system that automatically lowers the landing gear should the pilot forget to do so.

In October 1968, the company launched its Piper Flite Center program, a new concept in flight training that uses a standardized technique. More than 100 Piper Flite Centers are now in operation from coast to coast—developing the new pilots who will spur aviation growth in the future.

During 1970, Piper will introduce a new pressurized cabin aircraft designed to meet the need by corporations for more speed and higher altitude flights.

The major markets for Piper products include a wide range of business and manufacturing concerns, private owners and airport and agricultural operators. The demand for aircraft for use in business and industry continues to expand at a healthy rate. Future growth potential remains bright since only a small percentage of businesses today operate their own aircraft.

Leisure Time Bangor Punta's Leisure Time companies continued to expand sales and broaden product lines during fiscal 1969. Increasingly, Bangor Punta is able to serve a total recreational vehicle market, with many of the nation's best-known year-round products and services for land and sea.

The acquisition of Featherweight Corporation, a Montreal-based manufacturer of snowmobiles and toboggans, launched Bangor Punta into the booming winter sports market. Featherweight's Alouette snowmobiles range up to 26 horsepower and can be used on all kinds of terrain.

Recently, Bangor Punta purchased Yankee Motor Corporation, which sells a line of lightweight motorcycles through a nationwide network of more than 200 dealers. The affiliation with Bangor Punta will enable Yankee to establish manufacturing operations in the U.S. for a new, more powerful model designed by the company.

Other land recreational vehicles offered by the Leisure Time group include Starcraft's new Wander-Star travel trailers as well as the Starmaster trailer and camper series. Starcraft continues to be one of the nation's largest manufacturers of campers, trailers and travel trailers—catering to a market that shows undiminished growth.

Jensen Marine—the most respected name in large sailboats and ocean racing yachts—successfully entered the land vehicle market in 1969 with the Balboa Motor Van, a compact, 20-foot-long home on wheels.

In boating, Jensen's new Cal-21 sailboat has met with strong market acceptance. Featuring a retractable keel, it can be trailer-carried for inland and semi-open waterway use.

Another exciting new product—the Ranger 26 sailboat—couples luxurious interiors with high performance racing capabilities. The Ranger line is produced by Ranger boats, a new, internally-developed Bangor Punta company.

To take advantage of increased demand for fiberglass motor boats, Starcraft now offers a completely restyled line of modern fiberglass boats in the 14 to 19 foot class. And Luhrs made its first entry in the luxury power cruiser field during 1969 with new 38 foot and 44 foot fiberglass boats. Another Leisure Time boating company, O'Day, introduced the Yngling, a new 21 foot fiberglass racing keelboat, and moved into more modern production facilities in Fall River, Massachusetts.

Bangor Punta participates in the rapidly expanding houseboat business through two wholly-owned companies—Seagoing Boats and Rent-A-Cruise of America. Seagoing, one of the largest manufacturers of houseboats, expanded sales and increased production in fiscal 1969. Rent-A-Cruise, which rents houseboats through the nation's largest such

franchising operation, doubled the number of its franchises in fiscal 1969—reaching more than 100.

Bangor Punta's two emblematic jewelry companies—Bale Pin and Kinney—have established solid reputations for quality products and service in the school and giftware markets.

During fiscal 1969, Bale Pin introduced a new line of medallions on campaign ribbons for honor and service awards in schools, as well as new quality jewelry products and giftware for golf pro shops. Kinney penetrated the collegiate gift market with non-jewelry items, including walnut, pewter, and stainless steel gift sets.

Public Security The Smith & Wesson Public Security Group continued to meet world-wide needs for improved law enforcement and safety equipment during 1969. Major product lines include firearms for the law enforcement, military and sporting goods markets, sophisticated traffic control and safety devices, and riot control equipment.

The Public Security group made substantial investments in new plant and production facilities in 1969, adding nearly 130,000 square feet at four locations. The benefit of these expansions—both to meet stepped up demand and to produce new products—is expected to be realized in the current fiscal year.

At Smith & Wesson's Springfield, Massachusetts location, 45,000 square feet were added. The Stephenson Company, which produces traffic control devices, Breathalyzers and resuscitators, will soon move into a new 45,000 square foot facility in Eatontown, New Jersey.

Smith & Wesson Pyrotechnics, Inc., a joint venture with Schermuly, Ltd., has been provided with a safe, modern 30,000 square foot pyrotechnics plant in Ohio to manufacture military and commercial products. Also in Ohio, the Lake Erie Chemical Company added 9,000 square feet to its manufacturing facilities.

In February 1969, Smith & Wesson acquired Identi-Kit, a fast-growing manufacturer of suspect identification equipment. The Identi-Kit system uses a series of transparent overlays—each showing certain facial characteristics—to create a composite likeness of a suspect.

Through the acquisition of Pacific Technica Corporation in 1969, Smith & Wesson became more directly involved in research and development of military projectiles. Smith & Wesson also is expanding its sporting goods product line with the addition of hunting rifles and shooting accessories.

Bangor Punta is negotiating an agreement to purchase a small manufacturer of ammunition to further develop its product line in a related area. Combined with Smith & Wesson's strong manufacturing and marketing organization, this new capability should promise further substantial growth for the Public Security group.

Bangor Punta will enter one of the most rapidly expanding segments of the security market in fiscal 1970 through Smith & Wesson Security Services, Inc., an internally-developed company. The new company will offer banks, brokerage houses and other businesses a total systems approach to security problems. This will include pre-employment investigation, trained armed guards, electronic detection services, and in-depth consultation regarding other corporate security problems.

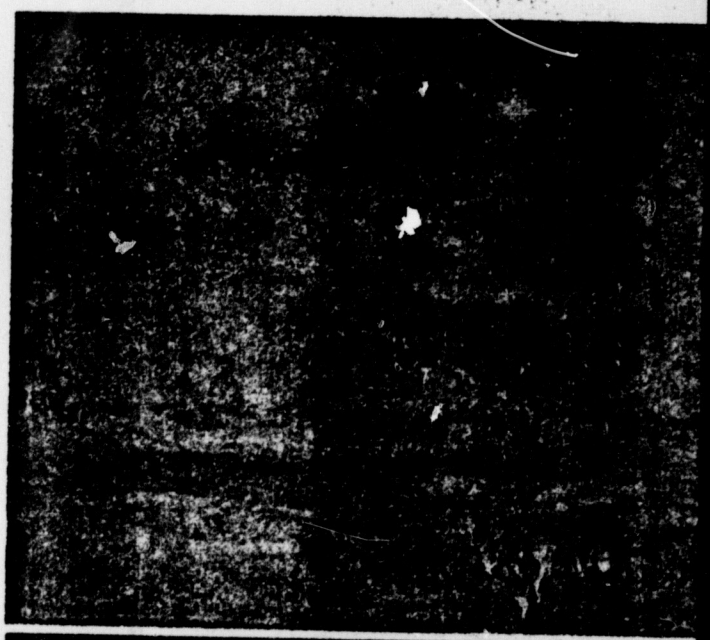
In the traffic control field, Stephenson's improved TDS Speed Computer enables a policeman in a patrol car to record the speed of a vehicle from either a parked or moving position--regardless of the direction in which the vehicle is moving. Besides its increased flexibility over conventional radar systems, the TDS Speed Computer also provides a digital readout for improved accuracy.

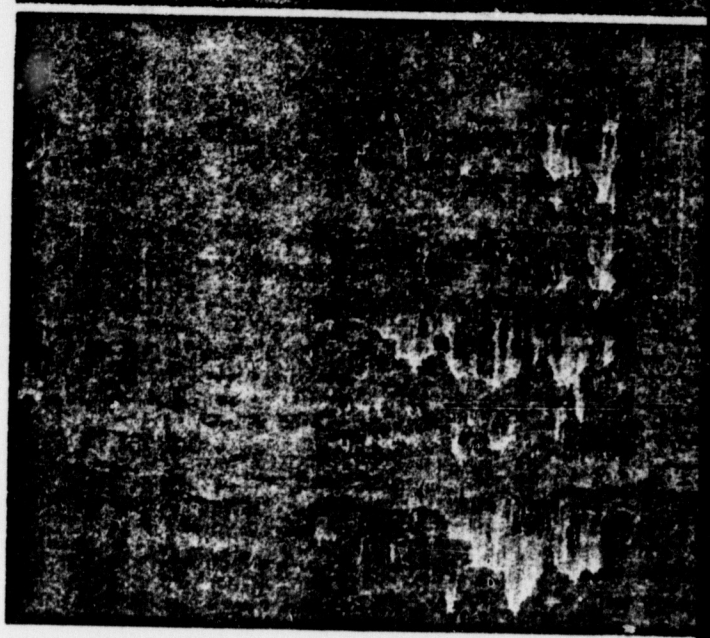
Energy Systems Waukesha Motor Company, which forms the basis of Bangor Punta's Energy Systems group, is a major manufacturer of natural gas and diesel-powered engines and engine-generator systems. During fiscal 1969, earnings and sales improved, spurred by customer response to three major product lines:

- The VHP (very high performance) series of large, medium-speed engines used for standby power generation and total energy application (furnishing all power requirements on site), and for oil and gas production.
- The VC (very compact) series of high-speed engines for standby electric power, off-highway and large construction vehicles, offshore drilling rigs, and military and commercial marine applications.
- A line of gas and diesel engines for use in fork-lift and other light industrial trucks.

As an extension of the VHP family, Waukesha will intro-

Below, Jeanneau—acquired in 1969—makes a complete line of fiberglass boats for expanding European leisure markets. At bottom, Waukesha's marine diesel engines, made largely of non-magnetic aluminum, were used to repower the Navy's fleet of ocean minesweepers.





duce a 16-cylinder 2000 horsepower model that will open new opportunities in the petroleum and power generation markets. Later in 1970, the company will offer a 16-cylinder VC engine to improve penetration into the large vehicle and marine markets. Sales of marine diesels for use on the ocean and inland waterways are expected to improve dramatically during the next few years.

Waukesha's participation in the total energy market continued strong in 1969. Installations included a major shopping center at Cape Kennedy, the world's largest beef packing plant in Kansas, and a large medical complex in Kansas City. Waukesha expects significant sales during the next five years in this highly sophisticated section of the power generation market.

To meet growing demand for Waukesha's VHP and VC engines and electric sets, the company is planning to build a major new facility in Wisconsin.

Professional Services Bangor Punta's Professional Services group includes two companies: Metcalf & Eddy, Inc., a Boston-headquartered international civil and sanitary professional engineering firm, and Connell Associates, Inc., a professional engineering consulting firm based in Miami, which joined the group in March 1969. Both companies enlarged their staffs and registered increases in total fees and earnings in fiscal 1969.

A significant feature of Metcalf & Eddy's practice in 1969 was a great increase in the size of incineration and sewage treatment projects engineered for the expanding air and water pollution control markets—including those for the cities of Washington, D.C., Chicago and New York. The Chicago Northwest incinerator, under construction and scheduled to go into operation in 1971, will have a capacity of 1600 tons per day—and will be the largest municipal incinerator in the nation.

Metcalf & Eddy's extensive background in cold weather engineering was called upon for the design of a base camp for the Atlantic Richfield Company near its oil strike on Alaska's North Slope.

The key factors behind Connell's growth included a sizeable airport expansion program for Eastern Air Lines in Miami, the design of a new $22 million office building for the First Federal Savings & Loan Association, and expansion in

the firm's land planning activities. Connell also designed a new 11-story, $4 million headquarters building—constructed in 1969—for the General Development Corporation in Miami.

International Operations During 1969, Bangor Punta acquired Jeanneau Constructions Nautiques, S.A., a major French boat manufacturer. Jeanneau, headquartered in Les Herbiers, near the west coast of France, makes a complete line of fiberglass motor boats and sail boats ranging in length from seven feet up to 36 feet.

Recently, Tyler Boat Company, Ltd., a British manufacturer of fiberglass boat hulls, joined Bangor Punta's International Operations group. Tyler produces massive boat hulls up to 72 feet in length. This association with Jeanneau and Tyler is a logical extension of Bangor Punta's major position in the leisure market, which is growing rapidly in France and other European countries.

With these two companies as the nucleus, Bangor Punta's international operations are expected to expand into other promising world markets. At present, several of Bangor Punta's companies maintain substantial international operations.

Piper Aircraft Corporation, for example, covers international markets through 140 dealer outlets located in 90 countries throughout the world. Foreign markets represent one of the fastest growing areas for increased Piper sales and now account for nearly 25% of the company's total dollar volume.

Bangor Punta's Smith & Wesson Public Security group sells its product lines to the export market. Several other Bangor Punta companies either maintain international marketing organizations or arrange licensing agreements to have their products manufactured abroad for foreign markets. To coordinate and serve as liaison for its various international activities, Bangor Punta maintains an office in Geneva, Switzerland.

Agribusiness A rising world standard of living and an increasing population are expected to bring a gradual improvement for the nation's agricultural producers and processors. To serve these needs, Producers Cotton Oil Company, which forms Bangor Punta's Agribusiness group, operates giant farming complexes and crop processing plants, utilizing modern mechanized equipment.

Producers owns more than 64,000 acres of land and leases 48,000 acres. This farm land lies mainly in California's fertile San Joaquin Valley, as well as in Arizona, and is appraised at several times its $12 million book value. The land also offers potential for real estate development and the company is formulating plans to utilize those properties that most lend themselves to non-agricultural use.

During fiscal 1969, Producers continued its diversification into new vegetable crops and field processing. The company inaugurated a cantaloupe packing and shipping plant in the heart of the San Joaquin Valley melon growing area. The plant in its first season handled Producers' ranch production and processed melons for other growers, shipping some 130,000 crates to major centers in North America.

Besides cotton and melons, Producers also grows, processes, manufactures and merchandises other agricultural commodities, including tomatoes, wheat, sugar beets, barley, safflower, beans, potatoes and alfalfa. Some of these commodities are now being irrigated by fresh water from the newly-completed San Luis water project, which has opened our land to the growing of a greater variety of agricultural products.

Fashion Fabrics Reflecting continued growth in the 15-to-30-year-old population group—who represent the largest fashion-buying market in the nation—Bangor Punta's Fashion Fabrics group increased sales in fiscal 1969. However, earnings declined despite improvements in some sections of the group.

Knitbrook Mills, which styles, manufactures and markets bonded knitted fabrics, successfully introduced two new styles in bonded Orlon knits—LaCoste and Diagonal—for youthful dresses and sportswear in fashionable colors. The recent introduction of other synthetic and blended yarns is expected to add to Knitbrook's growing markets.

Through its fashion leadership in the development of bonded Orlon knits, Knitbrook is also reaching into the ladies coat and suit area. Bonded Orlon is lightweight yet warm—and less expensive than other coat fabrics. Its acceptance has helped spur the demand for the popular maxi-coat style.

Other Knitbrook programs include a double-knit unbonded marketing effort and the sales of bonded Orlon knits to

worldwide markets. Both programs promise exceptionally strong growth.

Crown Fabrics should benefit from the return to popularity of printed fabrics. Crown introduced textured polyester woven fabrics during fiscal 1969 that have met with great acceptance.

Process Engineering Major markets for Bangor Punta's Process Engineering group include the materials handling field and the can, chemical and foundry industries. In addition, residential and light commercial buildings are served through the distribution of refrigeration and air-conditioning equipment and supplies.

During 1969, FECO introduced a new generation of high speed ovens for the can-manufacturing industry. These offer the production capabilities of a much longer oven in a more compact unit.

Through the purchase of Amatac, Inc. in fiscal 1969, Bartlett-Snow introduced a revolutionary automated flaskless molding machine for the foundry industry, as well as high production briquetting presses. Also during 1969, Bartlett-Snow began marketing the "Tumble Burner", a rotary refuse incinerator with wide market appeal in the industrial solid waste disposal field.

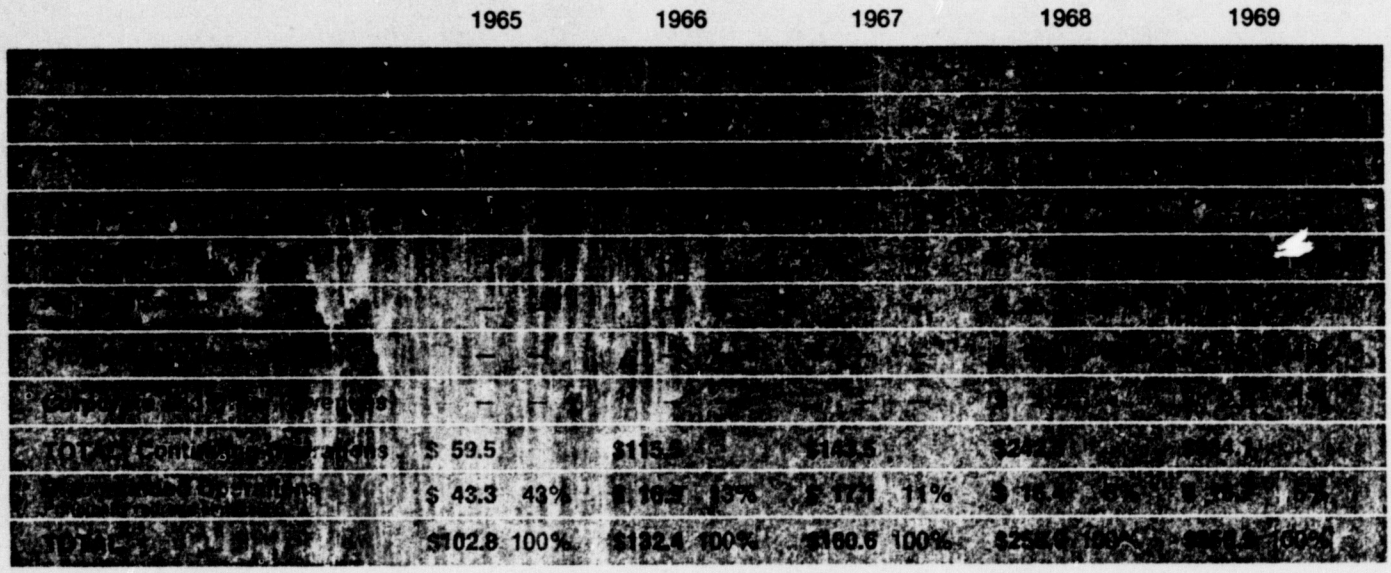
The Barker Manufacturing Company increased its can-handling installations on production lines at many of the new can-manufacturing facilities built or modernized during the past year.

Jetstream Systems, another Process Engineering Company, produces custom-engineered processing and materials handling equipment, using controlled jets of air. In 1969, the company introduced a fluid bed dryer-cooler that dries and floats plastics and foodstuffs for more efficient processing.

Pameco-Aire is one of the nation's largest distributors of refrigeration and air-conditioning equipment and supplies. It significantly increased sales and earnings in fiscal 1969. Through expanded branch operations—now totaling 29—the company deepened its penetration of the commercial refrigeration market. The demand for Pameco's packaged air conditioning equipment in light commercial buildings also is increasing rapidly because of the fast-rising cost of custom-designed installations.

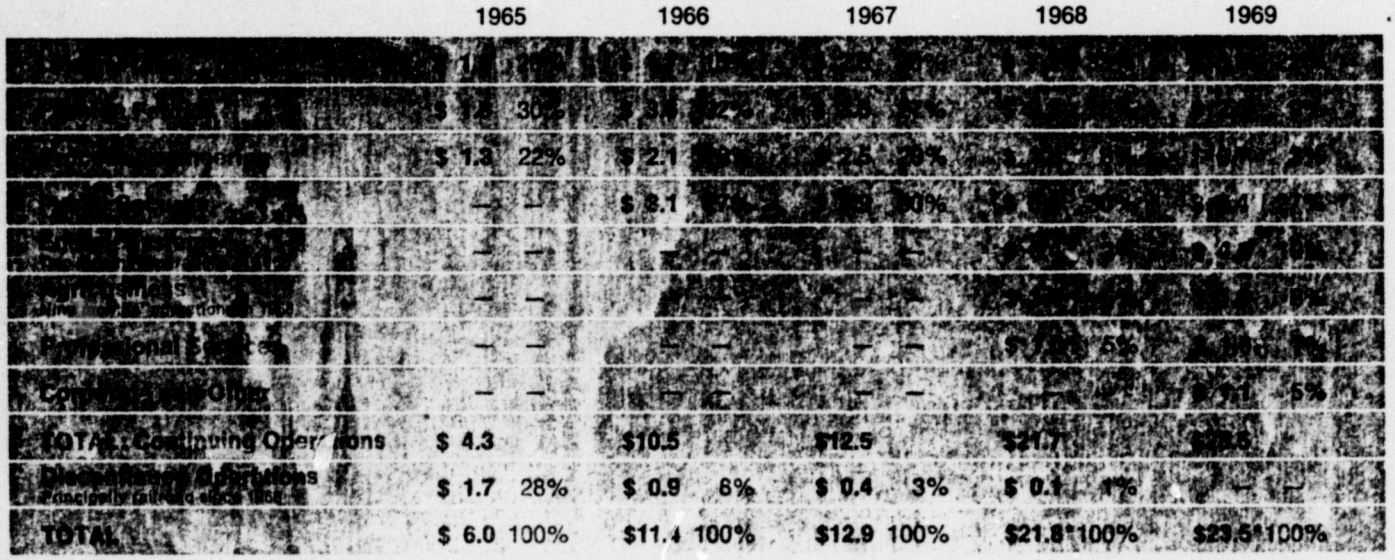
1041

Sales and Other Revenues by Group—dollars in millions



	1965	1966	1967	1968	1969
TOTAL Continuing Operations	$ 59.5	$115.8	$140.5	$244.[illegible]	
[illegible]	$ 43.3 43%	$ 16.[illegible] 13%	$ 17.1 11%	$ 18.[illegible]	
TOTAL	$102.8 100%	$132.4 100%	$160.6 100%	$25[illegible]	

Profit Contribution by Group—dollars in millions (before corporate financial and administrative expenses)



	1965	1966	1967	1968	1969
[illegible]	$ 1.2 30%	$ 3.[illegible] 27%	[illegible]	[illegible]	
[illegible]	$ 1.3 22%	$ 2.1 [illegible]	2.5 20%	[illegible]	
[illegible]	— —	$ 3.1 [illegible]	[illegible] 30%	[illegible]	
[illegible]	— —	— —	— —	[illegible]	
[illegible]	— —	— —	— —	[illegible]	
[illegible]	— —	— —	— —	$ [illegible] 5%	
[illegible]	— —	— —	— —	[illegible]	$ 1.1 5%
TOTAL Continuing Operations	$ 4.3	$10.5	$12.5	$21.[illegible]	
[illegible]	$ 1.7 28%	$ 0.9 8%	$ 0.4 3%	$ 0.1 1%	— —
TOTAL	$ 6.0 100%	$11.4 100%	$12.9 100%	$21.8* 100%	$23.5* 100%

*See Financial Highlights, page 3.

1042

Financial Review

Sales and Earnings Sales and other revenues (excluding railroad) rose to $334,130,000, an increase of $91,652,000, or 38%, over 1968 sales of $242,478,000. Internal sales growth contributed 8% of the increase. Sales of acquired companies not included in the preceding year, principally Waukesha Motor, contributed 30%.

Total profit contribution by groups, before corporate revenues and expenses, increased to $23,479,000 from $21,789,000. Increased corporate expenses and sharply higher interest costs reduced income before Federal income taxes to $11,485,000 from $13,294,000 in 1968. After increased preferred stock dividends and a 12% increase in average shares outstanding, earnings per share from operations declined to $1.44 from $2.40 in 1968, based on the combined average number of common and $1.25 convertible preference shares outstanding in both years.

Operating results were adversely affected by higher wage and raw material costs, by a business slowdown in some areas, and by intensified competitive pressures on profit margins. Exceptions were the Professional Services and Energy Systems groups, which showed improvements in sales and profits.

The decline in earnings of the Leisure Time group resulted primarily from a pretax loss of $1.1 million in the snowmobile operations, acquired in February. This business incurred the heavy costs of a major expansion program required to meet the strong demand for these vehicles but did not have the benefit of the sales or profits of its normal selling season. This began after the close of our 1969 fiscal year and should benefit fiscal 1970 results.

Results of the Smith & Wesson Public Security Equipment group were slightly below the prior year primarily because of the added costs associated with a large expansion program which is expected to benefit 1970 results substantially.

Results of the Fashion Fabric group declined, notwithstanding improvement in some units, primarily as the result of a cyclical downturn in the market for synthetic fabrics. The results of the Process Engineering group also reflected a cyclical decline in this segment of the capital goods industry, but the group is entering 1970 with higher backlogs than a year ago.

As part of the continuing asset appraisal program described in the Letter to Stockholders, it was decided in September to dispose of Bangor Punta's 98.7% stock interest in the Bangor and Aroostook Railroad. In October the sale was consummated for $5 million in cash, and resulted in a non-recurring book loss of approximately $14 million. This loss has been charged to income as an "extraordinary" item in fiscal 1969.

Other "extraordinary" items, principally the excess of cost over net assets of certain acquired companies, also were charged off, with the result that the total provision for these "extraordinary" loss items was $22,133,000. Partially offsetting this was $7,581,000 of non-recurring capital gains realized on the disposition of certain assets, principally marketable securities, which reduced the total non-recurring loss for the year to $14,552,000.

Net income from operations of $5,985,000, or $1.44 per share, was therefore reduced to a net loss for the year of $8,567,000, or $2.83 per share, based on the combined average of common and $1.25 preference shares outstanding in both years. This compares with earnings of $2.71 per share in 1968, including extraordinary gains of $949,000 or $.31 per share.

Dividends Dividends paid during the year rose to $3,363,000 from $2,141,000, primarily because of a $942,000 increase in dividend requirements for the $2 preference shares, which were outstanding for a full year during 1969. A special distribution was made as of February 28, 1969, consisting of 15/100 warrant for each share of outstanding common stock. Each full warrant is exercisable prior to March 31, 1981 to purchase one share of common stock at $55.00. The warrants are traded on the American and Pacific Coast Stock Exchanges.

Acquisitions All the acquisitions completed in fiscal 1969—Rent-A-Cruise of America, Inc., in October 1968; Pacific Technica, Identi-Kit and Amatac in January 1969; Featherweight Corporation in February; Connell Associates in March; and Jeanneau Constructions Nautiques, S.A. in September—have been accounted for as purchases and

their operating results included from the dates of acquisition.

The total cost of these acquisitions was $6,806,000 in cash and 98,248 shares of common stock. Additional payments of cash and common stock are to be made depending upon future after-tax earnings of some of the newly acquired companies.

Bangor Punta's holdings of 50.6% of the common stock of Piper Aircraft Corporation were obtained during 1969 in exchange for cash and securities of Bangor Punta. The Piper shares are carried on our balance sheet as an investment. Certified financial statements of Piper for the fiscal year ended September 30, 1969 have not been issued. When they become available, appropriate information on Piper's financial position and operations will be furnished to our stockholders.

Financing A revolving credit of $30,000,000 with interest at the prime rate is available to us. In addition, during May 1969, a new agreement with our lending banks was concluded, increasing our term loans to $25,000,000 from $7,200,000, with interest at 1% over the prime rate. Three new lending banks have joined our banking group—Continental Illinois National Bank & Trust Company of Chicago, First Wisconsin National Bank of Milwaukee and Morgan Guaranty Trust Company of New York.

Stockholders' Equity Stockholders' equity rose to $137,320,000 at September 30, 1969 from $113,513,000 at September 30, 1968. Outstanding and issuable common shares increased to 3,896,839 at September 30, 1969, from 2,627,508 at September 30, 1968, an increase of 48%. The common stock, $2 convertible preference stock and $1.25 convertible preference stock, traded on the New York Stock Exchange, are now listed for trading on the Pacific Coast and Midwest Stock Exchanges as well.

Capital Expenditures Capital expenditures undertaken during 1969 amounted to $10,854,000, an increase of 64% over expenditures of $6,630,000 during 1968. Depreciation and amortization charges during 1969 amounted to $6,305,000. Consolidated net property, plant and equipment, rose to $68,823,000 at September 30, 1969 from $63,734,000 at September 30, 1968.

Working Capital Consolidated working capital decreased to $112,884,000 at September 30, 1969, from $120,157,000 at the end of fiscal 1968. The decrease was mainly attributable to cash expenditures made for acquisitions and investments. Current ratio was 2.8-to-1 at September 30, 1969, compared with 3.5-to-1 at the end of the prior year. A statement of source and application of funds for the year ended September 30, 1969 follows:

Source and Application of Funds
Year Ended September 30, 1969

Source of funds	
Operations:	
Earnings before extraordinary items	$ 5,985,067
Add noncash charges:	
Depreciation and amortization of properties	6,305,120
Provision for deferred Federal income taxes	1,000,000
	13,290,187
Profit on sale of investments	7,580,600
Fair value of securities issued for companies acquired—$17,969,300 principal amount of 8¼% debentures, 9,021 shares of $1.25 convertible preference stock, 872,639 shares of common stock, and 2,141,972 common stock purchase warrants	55,945,146
Increase in non-current bank term loan	13,200,000
Sales price of Railroad	5,000,000
Working capital of companies acquired	1,874,458
	96,890,391
Application of funds	
Acquisition of companies, including payment on prior year's acquisition	$ 80,449,506
Additions to property, plant and equipment	10,853,939
Cash dividends paid	3,362,843
Payments on long-term debt	1,903,903
Redemption of $1.25 convertible preference stock—Series B	3,500,000
Advances to Prodco Finance Co.	2,875,161
Other—net	1,217,962
	104,163,314
Decrease in working capital	$ 7,272,923

Year Financial Highlights

ollar figures except per share amounts are in thousands)

	1969	1968	1967	1966	1965	1964
ting Results						
es and Other Revenues (Excluding ailroad in 1969)	$334,130	$258,895	$160,585	$132,449	$102,834	$ 81,415
rating Income before Federal Income axes	11,485	$ 13,294	$ 8,271	$ 8,122	$ 4,852	$ 4,253
nings before Extraordinary Items	5,985	7,294	5,571	4,207	2,513	2,299
n or (Loss) on Sale of Properties and ecurities	(14,552)	949	—	(2,038)	619	318
Income (Loss) (note 1)	$(8,567)	$ 8,243	$ 5,571	$ 2,169	$ 3,132	$ 2,617
ary Earnings Per Share (note 2):						
rning before Extraordinary Items	$1.44	$2.40	$2.44	$2.10	$1.33	$1.25
ain or (Loss) on Sale of Properties and Securities	(4.27)	.31	—	(1.01)	.32	.16
t Income (Loss)	$(2.83)	$2.71	$2.44	$1.09	$1.65	$1.41
Dividends per Common Share	$ .60	$ .60	$ .50	$ .10	—	—
al Position at Year End						
king Capital	$112,884	$120,157	$ 45,334	$ 26,440	$ 18,637	$ 9,103
ent Ratio	2.8: 1	3.5:1	2.7:1	2.0:1	2.0:1	1.6:1
Property, Plant & Equipment (note 3).	$ 68,823	$ 63,734	$ 26,765	$ 16,684	$ 5,190	$ 2,279
-term and Subordinated debt	$126,749	$116,007	$ 47,099	$ 32,475	$ 15,273	$ 6,148
-term and Subordinated debt con-rtible into common stock	$ 37,169	$ 19,200	$ 17,470	$ 3,550	—	—
eholders' Equity	$137,320	$113,513	$ 47,144	$ 37,145	$ 33,122	$ 16,222
of Sales						
al Growth	8.1%	17.3%	9.7%	32.3%	17.6%	16.5%
sitions	29.7%	43.9%	11.7%	40.4%	23.5%	—
Growth	37.8%	61.2%	21.4%	72.7%	41.1%	16.5%

ving effect to tax benefit from operating loss carryover (1969-1968-1967: None; 1966: $3,357; 1965: $2,277; 1964: $982).

ordance with an election provided for by Accounting Principles Board Opinion No. 15, primary earnings per share are now based on the total he average number of common shares outstanding after treating the $1.25 convertible preference stock and 5½% convertible subordinated entures (called for redemption during September 1968) as common stock equivalents.

nts shown for 1964 and 1965 have been adjusted to exclude net property, plant and equipment of discontinued operations.

Bangor Punta Corporation and Consolidated Subsidiaries

Consolidated Statement of Financial Position *September 30, 1969*

	1969	Comparative figures for 1968
Cash	$ 16,715,744	$ 16,465,805
Eurodollar short-term time deposits	13,000,000	14,650,000
Marketable securities, at cost (approximates market at Sept. 30, 1969)	1,500,000	23,373,455
Receivables, less allowances	54,235,148	43,112,744
Inventories, at lower of cost or market	81,112,690	68,382,573
Other current assets	10,341,335	1,541,307
Total current assets	176,904,917	167,525,884
Accounts payable	31,207,650	24,693,510
Accrued liabilities	10,903,402	8,648,015
Accrued Federal income taxes	7,581,914	6,868,613
Current portion of long-term debt	5,678,808	3,854,865
Other debt maturing within one year	8,055,845	2,933,609
Other current liabilities	593,215	370,266
Total current liabilities	64,020,834	47,368,878
Working capital	112,884,083	120,157,006
Investments in unconsolidated subsidiaries and other:		
Piper Aircraft Corporation and subsidiary—at cost (832,706 shares of common stock, 50.6% of outstanding) (note 2)	67,332,002	—
Bangor and Aroostook Railroad Company (note 1)	—	18,830,746
Prodco Finance Co. (note 1)	7,839,915	4,964,754
Other investments, advances, and noncurrent receivables	6,576,295	7,625,252
Property, plant and equipment, less accumulated depreciation (note 3)	68,822,677	63,734,108
Excess of cost over net assets of companies acquired (note 3)	42,757,616	38,038,625
Patents, debt discount and expense, etc.	3,420,599	1,254,459
Net working assets	309,633,187	254,604,950
Deduct:		
Long-term debt, excluding current portion (note 4)	126,960,297	115,664,200
Due to Bangor and Aroostook Railroad Company	—	301,132
Deferred Federal income taxes	4,807,472	3,762,823
Other liabilities and deferred credits	2,520,399	1,364,971
Minority interest in consolidated subsidiaries	1,067,213	757,259
	135,355,381	121,850,385
5¾ % subordinated bonds due 1992 (note 5)	18,988,600	19,242,000
8¼ % convertible subordinated debentures due 1994 (note 5)	17,969,300	—
Total deductions	172,313,281	141,092,385
Shareholders' equity	$137,319,906	$113,512,565
Comprised of (per accompanying statement):		
Capital stock	4,732,271	3,878,773
Assigned value of stock issuable for acquired company	—	416,250
Capital surplus	115,045,950	74,051,552
Retained earnings (note 4)	20,456,690	37,922,657
Treasury stock	(2,915,005)	(2,756,667)
	$137,319,906	$113,512,565

See accompanying notes to consolidated financial statements.

Bangor Punta Corporation and Consolidated Subsidiaries

Statement of Consolidated Income *Year Ended September 30, 1969*

	1969	*Comparative figures for 1968*
Income:		
Sales	$329,923,476	$240,106,087
Dividends, interest and other income	4,207,036	2,372,217
	334,130,512	242,478,304
Deduct:		
Cost of sales and other operating expenses	264,158,657	188,697,269
Selling, general and administrative expenses	48,349,057	33,188,563
Minority interest in net income (loss) of consolidated subsidiaries	(69,737)	270,855
Operating income—consolidated companies	312,437,977	222,156,687
	21,692,535	20,321,617
Railroad-equity in profit or (loss)	(18,207)	58,610
Income before interest and Federal income taxes	21,674,328	20,380,227
Interest and debt expense	10,189,261	7,085,815
Income before Federal income taxes	11,485,067	13,294,412
Provision for Federal income taxes (note 6)	5,500,000	6,000,000
Earnings before extraordinary items (per share: 1969, $1.44; 1968, $2.40)	5,985,067	7,294,412
Extraordinary items—gains ($7,580,600 in 1969) and provision for losses ($22,132,600 in 1969) on disposition of assets (notes 1 and 3)		
Net (loss) income	(14,552,031)	949,124
Per share	$ (8,566,964)	$ 8,243,536
	($2.83)	$2.71

Per share earnings have been computed on the basis of average number of common shares outstanding after treating the $1.25 Convertible Preference Stock as a common stock equivalent. On a fully diluted basis, the effect on per share earnings before extraordinary items in 1969 would not be significant and the effect on net loss per share would be anti-dilutive. In 1968 the net income per share on a fully diluted basis was $2.55.

See accompanying notes to consolidated financial statements.

Bangor Punta Corporation and Consolidated Subsidiaries

Statement of Changes in Shareholders' Equity *Year Ended September 30, 1969*

	1969	Comparative figures for 1968
Capital Surplus:		
Amount at beginning of year	$ 74,051,552	$ 14,962,724
Excess of fair value over par value of securities issued for companies acquired (9,021 shares of $1.25 convertible preference stock, 867,639 shares of common stock and 2,141,972 common stock purchase warrants in 1969)	38,058,876	39,362,725
Excess of fair value over cost of treasury common stock issued for companies acquired (5,000 shares in 1969)	99,121	214,045
Excess of proceeds over par value of shares issued under stock option plans (9,449 shares of $1.25 convertible preference stock and 43,635 shares of common stock in 1969)	770,499	176,286
Excess of proceeds over cost of treasury common stock issued upon exercise of stock options	—	125,400
Excess of principal amount of subordinated debentures converted over par value of common stock issued and related discount on debentures converted	—	16,660,713
Excess of market value over principal amount of 5½% convertible subordinated debentures issued for company acquired	—	2,557,192
Redemption and retirement of $1.25 convertible preference stock—Series B, less amount charged to retained earnings	(2,420,000)	—
Transfer from retained earnings of fair value of special distribution of 15/100 warrant per common share, net of expenses	4,477,740	—
Excess of par value of 42,018 shares of common over par value of 38,264 shares of $2.00 convertible preference shares converted during the year, plus cash payments for fractional shares	(7,234)	—
Other changes	15,396	(7,533)
Amount at end of year	$115,045,950	$ 74,051,552
Retained earnings:		
Amount at beginning of year	37,922,657	31,820,301
Net (loss) income	(3,566,964)	8,243,536
	29,355,693	40,063,837
Deduct:		
Cash dividends:		
$2.00 convertible preference shares ($2.00 in 1969)	1,084,906	143,388
$1.25 convertible preference shares ($1.25 annually)	369,483	742,858
Common stock ($.60 per share in 1969 and 1968)	1,908,454	1,254,934
	3,362,843	2,141,180
Fair value of special distribution of 15/100 warrant per common share	4,536,160	—
Redemption and retirement of $1.25 convertible preference stock—Series B, less amount charged to capital surplus	1,000,000	—
Total deductions	8,899,003	2,141,180
Amount at end of year	$ 20,456,690	$ 37,922,657
Assigned value of 16,650 maximum shares of $1.25 convertible preference stock issuable for acquired company	$ —	$ 416,250
Capital stock at September 30, 1969:		
Preferred stock, no par value—authorized 100,000 shares; issued, none	—	—
Preference stock, $1 par value—authorized 10,000,000 shares (note 8):		
$1.25 convertible preference stock, issued 217,739—(1968—509,089)	217,739	509,089
$1.25 convertible preference stock Series B, issued, none—(1968—80,000)	—	80,000
$2.00 convertible preference stock Series C, issued 535,950—(1968—574,214)	535,950	574,214
(Preference in involuntary liquidation—$32,240,975 for all issued preference shares)		
Common stock, $1 par value—authorized 20,000,000 shares; issued and issuable 3,978,582 shares (1968—2,715,470)	3,978,582	2,715,470
Common stock purchase warrants, 2,709,620 issued and issuable (1968—115,000 issued) (note 9)	—	—
	$ 4,732,271	$ 3,878,773
	$140,234,911	$116,269,232
Less treasury stock:		
Balance at beginning of year (14,101 $1.25 preference shares and 87,962 common shares in 1969)	2,756,667	2,832,840
Less shares issued (18,777 common shares in 1969)	504,179	76,173
	2,252,488	2,756,667
Add shares acquired (1,500 $2.00 preference shares and 12,558 common shares)	662,517	—
Treasury shares at end of year (14,101 $1.25 preference shares, 1,500 $2.00 preference shares and 81,743 common shares in 1969)	$ 2,915,005	$ 2,756,667
Total shareholders' equity	$137,319,906	$113,512,565

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

(1) Principles of Consolidation:

The consolidated financial statements include the accounts of Bangor Punta Corporation (Bangor Punta) and its subsidiaries, except for Prodco Finance Co. (Prodco).

On October 2, 1969, the investment in the capital stock of the Bangor and Aroostook Railroad Company, which was treated previously as an unconsolidated subsidiary, was sold for a cash consideration of $5,000,000 resulting in a loss of approximately $14,000,000. Provision for such loss has been included in the statement of consolidated income as an "extraordinary item." The amount of the consideration received in October has been included as a receivable in the accompanying balance sheet.

Condensed balance sheets of Prodco Finance Co., wholly-owned by Producers Cotton Oil Company (a subsidiary of Bangor Punta) are as follows:

Prodco Finance Co.—Condensed Balance Sheets

	September 30	
	1969	1968
Assets		
Cash	$ 25,000	$ 25,000
Notes and accounts receivable	8,058,505	8,444,786
Loans and advances to growers	27,507,041	26,232,655
Crop loans to parent company owned ranches	5,528,352	1,684,859
Deferred charges	1,768	2,312
	$41,120,666	$36,389,612
Liabilities and Capital		
Loans payable to banks	$25,065,844	$30,538,357
Accounts payable and accrued expenses	530,404	886,501
Short-term advances from parent company	7,684,503	—
	33,280,751	31,424,858
Parent Company investment:		
Subordinated loans	4,000,000	4,000,000
Advances	3,787,768	923,795
Capital stock, 25,000 shares—$1 par value	25,000	25,000
Retained earnings—beginning of year	15,959	—
Add net income (revenues $2,641,820 less expenses of $2,630,632 in 1969)	11,188	15,959
Retained earnings—end of year	27,147	15,959
	7,839,915	4,964,754
	$41,120,666	$36,389,612

Producers Cotton Oil Company is obligated to loan Prodco Finance Co. up to $4,000,000 subordinated to the bank loans, and has also guaranteed 10% of the maximum amount advanced by certain banks to Prodco during the year, and with respect to the principal bank has guaranteed the 10% or $2,000,000 whichever is greater.

(2) Acquisitions:

During the current year, approximately 50.6% of the outstanding shares of Piper Aircraft Corporation were acquired (1) by cash purchases, (2) pursuant to an exchange offer dated July 18, 1969 (a) to certain stockholders of Piper who are parties to an agreement dated May 8, 1969 and (b) to those stockholders of Piper who were not parties to such agreement. The agreement dated as of May 8, 1969 provides that, in the event Bangor Punta succeeds in acquiring more than 50% of the outstanding common stock of Piper, the Piper shareholders party thereto shall receive additional Bangor Punta securities and/or cash. However, an action has been brought by Chris-Craft Industries, Inc., in the United States District Court for the Southern District of New York alleging, among other things, that certain purchases of Piper stock by Bangor Punta were in violation of applicable Securities law. A Chris-Craft motion for a preliminary injunction in this action was denied and in affirming such denial on appeal, the United States Court of Appeals for the Second Circuit remanded the case for a trial which would include a determination if certain of Bangor Punta's purchases violated applicable Securities law (See Note 11). Under these circumstances, no settlement has been concluded with the Piper shareholders parties to the Agreement of May 8, 1969, but a provision for the issuance of additional securities with a value of approximately $13,000,000, the maximum amount that could become payable in connection therewith, has been provided in the appended balance sheet. Certified financial statements of Piper Aircraft Corporation for the fiscal year ended September 30, 1969, have not been issued. The equity of Bangor Punta in the net assets of Piper aggregates $19,222,000, based on unaudited statements submitted by Piper. After issuance of the Piper annual report, appropriate information relating to the financial position and operations of Piper will be furnished to stockholders of Bangor Punta.

In February and March 1969, Featherweight Corporation and Connell Associates, Inc. were acquired for an initial consideration of $153,285 and 93,248 shares of Bangor Punta common stock and up to a maximum of 124,207 shares to be delivered depending on the earnings of the acquired businesses over five-year periods. During the year, five other small domestic businesses were acquired by the issuance of 5,000 shares of Bangor Punta treasury common stock and cash of $1,600,000. With respect to one acquisition, additional cash payments are to be made depending on future net after-tax earnings. In addition, a 75% interest in a foreign subsidiary was acquired for a cash consideration of $5,053,000, with additional cash payments based upon future earnings.

All acquisitions during the current year have been accounted for as purchases.

(3) Properties and Depreciation:

Properties and related accumulated depreciation at September 30, 1969 consist of:

	Properties, at Cost	Annual Rates of Depreciation	Accumulated Depreciation
Land	$ 3,334,250	—	—
Farm Lands	12,046,513	—	—
Building and site improvements	29,085,953	2.5 to 10%	8,944,927
Machinery and equipment	73,809,660	5½ to 33⅓%	42,443,128
Leaseholds	3,016,666	Term of Lease	1,079,310
	$121,293,042		$52,470,365

Farm lands and other properties of Producers Cotton Oil Company, a consolidated subsidiary, are substantially pledged under deeds of trust and mortgages to secure certain insurance company loans and bank loans.

The aggregate amount of depreciation charged for the years ended September 30, 1968 and 1969 was $4,057,529 and $8,305,120, respectively.

The Executive Committee of the Board of Directors estimated that the "excess of cost over net assets of companies acquired" of certain divisions aggregating approximately $5,000,000 had no continuing value and such sum has been charged off as an extraordinary item as of September 30, 1969. The remaining balance of "excess cost over net assets of companies acquired" is considered to have a continuing value over an indefinite period and therefore is not being amortized.

(4) Long-term Debt:

Long-term debt at September 30, 1969 is summarized as follows:

	Current Amount	Noncurrent Amount
Insurance company loans:		
6% joint several promissory notes due March 1, 1983	$ 600,000	$ 24,600,000
7¼% joint and several notes due March 1, 1983	—	20,000,000
8.75% note payable in annual instalments of $468,000 with the final instalment of $905,500 payable in 1980	468,000	5,485,500
5½% and 5¾% notes payable in annual instalments of $220,000 with the final instalment of $1,320,000 payable in 1983	220,000	1,760,000
6% note payable in semiannual instalments of $50,000 with the final instalment of $504,236 payable in 1974	100,000	854,236
Bank loans:		
Term notes, interest 1% over prime rate, due in quarterly instalments of $900,000 each with balance due on March 31, 1976	3,600,000	19,600,000
Revolving loan, prime interest rate, revolving credit extended to June 15, 1971—maximum available, $30,000,000	—	30,000,000
Other bank loans, 4% to 6¼%	310,489	1,502,002
6½% secured notes payable in ten annual instalments to 1978	144,840	1,158,720
Other debt	235,479	599,839
	5,678,808	107,760,297
Convertible long-term debt:		
Insurance company loan—6% joint and several convertible notes due March 1, 1983	—	4,200,000
5¼% guaranteed convertible debentures due 1988	—	15,000,000
	—	19,200,000
	$5,678,808	$126,960,297

Annual instalments on the 6% promissory notes due March 1, 1983 are payable in the amount of $600,000 to 1973 and $1,800,000 from 1974 to 1982. The 6% convertible notes held by the insurance company are convertible into Bangor Punta common stock at the conversion price of $31.62, subject to anti-dilution adjustments.

Annual instalments on the 7¼% joint and several notes due March 1, 1983 are due in amounts equal to 2% of the aggregate principal amount from 1973 to 1977 and 6% from 1978 to 1982 (see note 9).

The insurance company and bank loan agreements, as amended, provide, among other things, for the maintenance of minimum working capital and restrict the amounts which may be paid as dividends on and redemptions of any class of stock after September 30, 1965, except dividends payable solely in shares of stock of the Company. The consolidated retained earnings available for dividends at September 30, 1969 was $3,600,000. In addition, 50% of consolidated net income (as defined) in subsequent years will be available for cash dividends.

The 5¼% guaranteed convertible debentures due July 1, 1988 are unsecured direct obligations of Bangor Punta International Capital Company (International Capital), are guaranteed jointly and severally by Bangor Punta Corporation and Bangor Punta Operations, Inc. (a wholly-owned subsidiary) and are convertible from January 15, 1969 into Bangor Punta Corporation common stock at $55 a share. The debentures will be subject to redemption through a sinking fund on each July 1 from 1979 to 1987 in principal amounts equal to 10% of the aggregate principal amount of debentures outstanding on April 30, 1979. At the option of International Capital, subject to certain restrictions, the debentures may be redeemed in principal amounts of not less than $1,000,000 beginning July 1, 1971. In the event that interest paid to the debenture holders becomes subject to United States taxation, the debentures outstanding may be called for redemption.

(5) Subordinated Debt:

The 5¼% subordinated bonds ($16,958,600) are due November 15, 1992 and are secured by the pledge of all shares of common stock of Producers Cotton Oil Company owned by the Company. A mortgage of certain real estate interests owned by a subsidiary of Producers, subject to existing liens, may be substituted for the pledged shares. Deficiencies after realization on the pledged security are subordinated to all existing and future senior indebtedness, as defined. The bonds are entitled to an annual purchase fund through 1977 and to an annual sinking fund commencing in 1978 and are, subject to certain restrictions, redeemable at the option of the Company. At September 30, 1969, the purchase fund requirement has been satisfied.

The 8¼% convertible subordinated debentures ($17,969,300, including issued and issuable) are due July 1, 1994, and are convertible into common stock at the conversion price of $55 per share, subject to anti-dilution provisions. The debentures are subordinated to all existing and future senior indebtedness, as defined, are entitled to an annual sinking fund commencing July 1, 1980 and are redeemable at the option of the Company at any time on and after July 1, 1973. The indenture provisions relating to the payment of dividends and redemption of capital stock are less restrictive than under other loan agreements.

(6) Federal Taxes on Income:

The tax provision for 1969 is net of investment credits of $200,000 (as compared with $470,000 in 1968) and includes provision for deferred taxes of $1,000,000.

The Corporation's tax returns for 1967, 1968 and 1969 are subject to review by the taxing authorities.

(7) Incentive Stock Options:

Incentive stock options have been granted to officers and employees at various times since 1960 at prices of 95% or 100% of market value at date of grant. A summary of the transactions in those options during the year ended September 30, 1969 follows:

	$1.25 Convertible Preference Stock (shs.)	Common Stock (shs.)
Outstanding at September 30, 1968	10,208	74,137
Granted	—	83,200
	10,208	157,337
Deduct:		
Exercised	9,449	43,635
Cancelled	3	17,000
	9,452	60,635
Outstanding at September 30, 1969	756	96,702

The aggregate option price of the 9,449 shares of $1.25 convertible preference stock and 43,635 shares of common stock exercised during the year ended September 30, 1969 amounted to $823,583 and the fair value of the shares at the exercise dates was $2,315,743. The aggregate option price for all options outstanding at September 30, 1969 amounted to $3,042,264 of which options for 756 shares of $1.25 convertible preference stock and 32,772 shares of common stock were exercisable at an aggregate price of $876,512. At September 30, 1969, 35,430 shares of common stock were available for future grants under a "Qualified Stock Option" plan.

Accountants' Report

The Board of Directors and Shareholders of Bangor Punta Corporation:

We have examined the consolidated statement of financial position of Bangor Punta Corporation and consolidated subsidiaries as of September 30, 1969 and the related statement of income and changes in shareholders' equity for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have also made a similar examination of the financial statements of Prodco Finance Co., and a summarization of its balance sheet at September 30, 1969 is set in Note 1 to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly the financial position of Bangor Punta Corporation and consolidated subsidiaries at September 30, 1969 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the consolidated statement of source and application of funds presents fairly the information shown therein.

PEAT, MARWICK, MITCHELL & CO.

345 Park Avenue, New York, New York
December 10, 1969

During 1969, "Restricted Stock Purchase" options were granted to an officer and an employee to purchase 4,100 shares (net of cancellations) of common treasury stock at $20 per share. The options granted have been exercised—all but 100 shares on deferred payment terms. Options were also granted to purchase 2,700 shares of common treasury stock at $1 per share and all have been exercised and paid. In the event that the employee terminates his employment prior to the dates specified in the individual option agreements and all or part of the shares are redelivered to the Company, the corresponding indebtedness will be cancelled or, in the case of fully paid options, the shares will be repurchased by the Company. The fair value of the shares at the dates granted amounted to $298,325. Charges to income for compensation expense are made as restrictions lapse on the issued shares.

(8) Preference Stock:

The $1.25 convertible preference stock, $1 par value, is entitled to cumulative dividends at the annual rate of $1.25, is entitled to $25 per share plus accrued dividends upon involuntary liquidation, and is convertible at the rate of one share of common stock for each share of preference stock. The Board of Directors has resolved that no action be taken to cause the forced redemption of all or part of this issue prior to September 15, 1971. The redemption price after that date will be $25.25 per share.

The $2.00 convertible preference stock—Series C, $1 par value, is entitled to cumulative dividends at the annual rate of $2.00, is entitled to $50.00 per share plus accrued dividends upon involuntary liquidation and is convertible at the rate of 1.18 share of common stock for each share of such preference stock subject to adjustment. The stock may be redeemed by the Company at prices ranging from $54.00 a share during the twelve-month period beginning July 30, 1973 to $51.00 a share during the twelve-month period beginning July 30, 1976 and at $50.00 a share thereafter plus accrued dividends.

The aggregate preference in involuntary liquidation exceeds the par value of the issued $1.25 convertible preference stock and the $2.00 convertible preference stock—Series C by $31,487,286 at September 30, 1969. In the opinion of counsel, there are no restrictions upon surplus by reason of such differences.

(9) Common Stock Purchase Warrants:

Pursuant to a Note and Warrant Agreement dated July 31, 1968, 65,000 Series A warrants and 60,000 Series B warrants to purchase common stock at $55 per share were issued to the insurance company which purchased the 7½% joint and several notes due March 1, 1983. The number of shares of common stock deliverable upon exercise of the warrants is dependent on the "effective price" of the warrants at the time of exercise, as defined in the agreement. The Series A warrants are exercisable until November 1, 1982 and Series B from May 1, 1971 through November 1, 1982.

Series C warrants, 2,594,620 issued and issuable at September 30, 1969, entitle the holder to purchase common stock until March 31, 1981 at $55 per share, subject to anti-dilution adjustments.

(10) Pension, Profit Sharing and Deferred Compensation Plans:

The parent company has a pension plan under which insurance policies are purchased for qualified employees. The cost of this plan for 1969 amounted to $22,517. The parent and certain subsidiaries and divisions have deferred profit sharing, union retirement and insured pension plans, contributions to which amounted to $2,400,170 for 1969. The provision for the year is sufficient, in those instances where applicable, to meet current cost and interest on past service cost. With respect to one of the plans, the value of vested benefits exceeded the total of the pension fund by approximately $168,500.

In addition, the parent and certain subsidiaries also have deferred compensation plans for key executives. The cost of the computed benefits at inception of the plans are being amortized over ten years and subsequent costs are accrued on an annual basis.

(11) Commitments and Contingent Liabilities:

In the opinion of the Senior Vice President and General Counsel, the current litigation against Bangor Punta Corporation and its subsidiaries should not have a material adverse effect on the financial position of Bangor Punta Corporation and its subsidiaries on a consolidated basis as such suits are either immaterial, substantially without merit or adequately covered by product liability insurance.

Aggregate annual rentals under leases expiring more than three years from September 30, 1969 amounted to approximately $1,780,000 plus, in certain cases, real estate taxes and other expenses.

A subsidiary has been engaged by two companies to assist them in acquisitions. Bangor Punta Operations, Inc. has agreed to guarantee bank loans up to a maximum amount of $2,000,000 obtained by such companies to finance acquisitions and has also guaranteed performance under contingent payment arrangements with the Seller of an acquired business.

Certain subsidiaries are contingently liable at September 30, 1969 for approximately $2,700,000 of discounted receivables under various floor-plan financing agreements.

Pursuant to option agreements with the sellers of Featherweight Corporation (Sellers), the Company may require the Sellers to sell or the Sellers may require the Company to buy the 62,793 initial shares of common stock issued to the Sellers. The options were exercised with respect to 12,558 shares at a total of $595,934 in 1969 and the remaining 50,235 shares at a total of $2,499,945 are exercisable in July, 1970.

Boarding Directors

Harry E. Baker, Chairman, Anderson, Clayton & Co.

William C. Douglas, Honorary Chairman of the Board

John E. Flick, Senior Vice President, Secretary and General Counsel

William E. Hill, President, William E. Hill & Company, Inc.

*Curtis M. Hutchins, Chairman, Dead River Company

*George B. Jones, Partner, Wertheim & Co.

*Frederick H. Kingsbury, Jr., Partner, Brown Brothers Harriman & Co.

Scott K. Lowry, Esq., Lowry, Hunter & Tikalsky

Dr. Walter B. McKinney, President, Tidewater Associates, Inc.

Robert A. Page, Chairman, Garvey, Inc.

*W. Gordon Robertson, Co-Chairman of the Board, Chairman of the Executive Committee

*Nicolas M. Salgo, Chairman of the Board

George H. Seal, Chairman, C. H. Sprague & Son Co.

*Robert G. Stone, Trustee

James G. Tremaine, Partner, Gude, Winmill & Co.

*David W. Wallace, President

Harry C. Wood, President, A. W. Benkert & Co., Inc.

*Members of the Executive Committee

Corporate Executive Offices

One Greenwich Plaza, Greenwich, Conn. 06830

Office of the Chairman of the Board
405 Park Avenue, New York, N.Y. 10022

Stock Exchange Listings

New York, Midwest, Pacific Coast
Common Stock
$1.25 Convertible Preference
$2.00 Convertible Preference—Series C

American
Common Stock Warrants
Series C (Expiring 1981)

New York
5¼% Subordinated Bonds, due 1992
8½% Convertible Subordinated Debentures, due 1994

Auditors

Peat, Marwick, Mitchell & Co.
845 Park Avenue, New York, N.Y. 10022

Officers

Nicolas M. Salgo
Chairman of the Board

W. Gordon Robertson
Co-Chairman of the Board and Chairman of the Executive Committee

David W. Wallace
President and Chief Executive Officer

John E. Flick
Senior Vice President, Secretary and General Counsel

Stephen Galle
Senior Vice President

Carl E. Delano
Vice President—Personnel

Harold Ehrenström
Vice President

DeWitt C. Morrill
Vice President—Corporate Relations

Thomas D. Stephenson
Vice President—Administration and Treasurer

Marc F. Wray
Vice President—Acquisitions and Corporate Development

Transfer Agents

The Company's Office
One Greenwich Plaza
Greenwich, Conn. 06830

Irving Trust Company
One Wall Street
New York, N.Y. 10015

Old Colony Trust Company
45 Milk Street
Boston, Mass. 02109

Registrars for Common Stock and $2 Convertible Preference Stock

Morgan Guaranty Trust Company of New York
23 Wall Street
New York, N.Y. 10005

First National Bank of Boston
67 Milk Street
Boston, Mass. 02109

Registrars for $1.25 Convertible Preference Stock

Franklin National Bank
130 Pearl Street
New York, N.Y. 10004

First National Bank of Boston
67 Milk Street
Boston, Mass. 02109

Warrant Agent

Irving Trust Company
One Wall Street
New York, N.Y. 10015

Trustee/Registrar—Paying and Transfer Agent for 5¼% Subordinated Bonds

Bank of America National Trust and Savings Association
World Headquarters Building
Bank of America Plaza
San Francisco, Calif. 94120

Co-Paying and Transfer Agent for 5¼% Subordinated Bonds

Irving Trust Company
One Wall Street
New York, N.Y. 10015

Trustee/Registrar—Paying and Transfer Agent for 8½% Convertible Subordinated Debentures, due 1994

Irving Trust Company
One Wall Street
New York, N.Y. 10015

Annual Meeting

The annual meeting of stockholders will be held on Tuesday, March 3, 1970 at the Corporate office in Greenwich, Conn. The Notice of Meeting, Proxy and Proxy Statement will be mailed to stockholders on or about February 3, 1970.

BANGOR PUNTA INTERNATIONAL CAPITAL COMPANY

Listings

Luxembourg Stock Exchange
New York Stock Exchange
5¼% Guaranteed Convertible Debentures, due 1988

Trustee/Paying and Conversion Agent

Morgan Guaranty Trust Company of New York
33 Lombard Street
London, E.C. 3, England

Co-Paying and Co-Conversion Agents

S. G. Warburg & Co., Limited
London, England

Banque Internationale à Luxembourg S.A.
Luxembourg

Mees & Hope
Amsterdam, The Netherlands

Banca Vonwiller, S.p.A.
Milan, Italy

1052

Bangor Punta Annual Report 1970

Notes to Consolidated Financial Statements

(1) Principles of Consolidation:

The consolidated financial statements include the accounts of Bangor Punta Corporation (Bangor Punta) and its subsidiaries, except for Prodco Finance Company (Prodco) and Piper Aircraft Corporation.

Condensed balance sheets of Prodco Finance Co., wholly owned by Producers Cotton Oil Company (a subsidiary of Bangor Punta) are as follows:

Prodco Finance Co.—Condensed Balance Sheets

	September 30	
	1970	*1969*
Assets		
Cash	$ 25,000	$ 25,000
Notes and accounts receivable	7,363,318	8,058,505
Loans and advances to growers	15,615,987	27,507,041
Crop loans to parent company owned ranches	2,481,890	5,528,352
Deferred charges	1,224	1,768
	$25,487,419	$41,120,666
Liabilities and Capital		
Loans payable to banks	$10,450,879	$25,065,844
Accounts payable and accrued expenses	957,741	530,404
Short-term advances from parent company	6,283,702	7,684,503
	$17,692,322	$33,280,751
Parent company investment:		
Subordinated loans	4,000,000	4,000,000
Advances	3,723,523	3,787,768
Capital stock, 25,000 shares—$1 par value	25,000	25,000
Retained earnings—beginning of year	27,147	15,959
Add net income (revenues $2,515,534 less expenses of $2,496,107 in 1970)	19,427	11,188
Retained earnings—end of year	46,574	27,147
	7,795,097	7,839,915
	$25,487,419	$41,120,666

Producers Cotton Oil Company is obligated to loan Prodco Finance Company up to $4,000,000 subordinated to the bank loans, and has also guaranteed 20% of the maximum amount advanced by certain banks to Prodco during the year, and with respect to the principal bank has guaranteed the 20% or $4,000,000 whichever is greater.

Certain operating units and the investment in $1,500,000 principal amount A. M. Castle & Co. 6% convertible debentures are planned to be sold or liquidated. For the balance sheet, the aggregate net assets of these units and the debentures at September 30, 1970 have been shown as "Net Assets of Operations Being Discontinued" and the statement of consolidated income includes the result of operations of these units as "Income (Loss) of Operations Being Discontinued." Subsequent to September 30, 1970, three of such operating units (Bale Pin Company, Metcalf & Eddy, Inc. and Connell Associates, Inc.), whose net assets comprised approximately one-half of the carrying amount on the balance sheet, were sold for an aggregate consideration of approximately $17,000,000. Of the proceeds, $10,000,000 will be paid in permanent reduction of the long-term debt. The profit realized will be deferred pending determination of the results of sale or liquidation of the remaining units and the tax effects thereon.

(2) Investment in Piper Aircraft Corporation:

Bangor Punta has acquired approximately 51% of the outstanding shares of Piper Aircraft Corporation by cash purchases and pursuant to exchange offers commencing on July 18, 1969 made to (a) certain stockholders of Piper who are parties to an Agreement dated as of May 8, 1969 and (b) all other stockholders of Piper. Such Agreement provides that, in the event Bangor Punta succeeds in acquiring more than 50% of the outstanding stock of Piper, the Piper shareholders party thereto are to receive additional Bangor Punta securities and/or cash.

In July of 1970, one of the parties to such Agreement commenced an action against Bangor Punta in the U. S. District Court for the District of Delaware seeking a determination that the additional payment provided for in the Agreement is due and setting forth a proposed method of determining the amount of such payment. Bangor Punta does not agree that any additional payment is now due and disagrees with the proposed method of computation. Based on its review of this matter to date, special counsel to Bangor Punta in this matter concurs with this position. Provision for the issuance of additional securities having a value of approximately $13,000,000, the maximum amount that Bangor Punta believes could become payable by it in connection with the May 8 Agreement, has been provided for in the appended balance sheet.

In June of 1969, Chris-Craft Industries, Inc., the owner of approximately 42% of Piper, commenced an action in the U. S. District Court for the Southern District of New York against Bangor Punta, Piper and certain other persons seeking $45,000,000 damages and other remedies including divestiture of the Piper shares acquired by Bangor Punta. In the opinion of special counsel to Bangor Punta in this matter, Bangor Punta will not suffer any material adverse effect as a result of this action. Bangor Punta has filed a counter suit against Chris-Craft Industries and certain other persons alleging violations of the securities laws and seeking injunctive relief and damages of $50,000,000. In September, 1970, the Securities and Exchange Commission brought an action against Bangor Punta in the U. S. District Court for the Southern District of New York alleging violation of Securities Law seeking an injunction against future violations of such law and a determination that Bangor Punta should offer rescission to the former owners of the 110,702 shares of Piper acquired by it pursuant to its exchange offer of July 18, 1969 made to those Piper shareholders not parties to the May 8 Agreement. Bangor Punta's special counsel is of the opinion that Bangor Punta has meritorious defenses to the complaint of the SEC.

Bangor Punta's investment in Piper is carried in the accompanying balance sheet at cost (including $13,000,000 for additional securities which may become issuable and the costs related to the aforementioned legal matters) adjusted for Bangor Punta's share of Piper's loss for the year ended September 30, 1970. At such date, Bangor Punta's equity in the net assets of Piper is approximately $18,900,000. The financial statements of Piper for the year ended September 30, 1970 and the qualified report thereon of its auditors, Arthur Young & Company, which are included elsewhere in the annual report, are incorporated herein by reference.

Until the matters referred to above are resolved, Bangor Punta will not be in a position to determine the effects, if any, such matters will have on the carrying value of its investment in Piper.

(3) Properties and Depreciation:

Properties and related accumulated depreciation at September 30, 1970 consist of:

	Properties, at Cost	Annual Rates of Depreciation	Accumulated Depreciation
Land	$ 3,487,943	—	—
Farm Lands	11,755,717	—	—
Building and site improvements	30,699,136	2.5 to 10%	9,759,763
Machinery and Equipment	74,561,422	5½ to 33⅓%	46,109,826
Leaseholds	2,823,895	Term of Lease	995,081
	$123,328,113		$56,864,670

Farm lands and other properties of Producers Cotton Oil Company, a consolidated subsidiary, are substantially pledged under deeds of trust and mortgages to secure certain insurance company loans and bank loans.

The aggregate amount of depreciation charged for the years ended September 30, 1970 and 1969 was $6,636,753 and $6,305,120, respectively.

The "excess cost over net assets of companies acquired" is considered to have a continuing value over an indefinite period and therefore is not being amortized.

1054

General Aviation

Piper Aircraft Corporation, Lock Haven, Pa. 17745. (717) 748-6711. Vero Beach, Florida 32960. (305) 567-4361. Telex: 841425/Cable—(U.S.) PAC; Lock Haven; (International) CUB, Lock Haven

Single and twin engine aircraft for personal, corporate, utility, agricultural and commercial air transportation.

Piper Aircraft International, S.A., P.O. Box 313, Airport 1215, Geneva, Switzerland. (022) 91-60-30. Telex: (845) 22908, Cable Address: Piper, Geneva

Aircraft distribution in Europe and the Middle East.

Leisure Time

Balboa Motor Homes, 3070 Pullman Street, Costa Mesa, California 92627. (714) 540-6103

Motor homes.

Duo, 1410 Patterson Street, Industrial Park, Decatur, Indiana 46733. (219) 724-3171

Fiberglass outboard and inboard-outdrive runabouts.

Featherweight Corporation, 101 Louvain Street West, Montreal, 354, Quebec, Canada. (514) 382-1350. Telex: 05-268-701, Cable: FAPCOM

Alouette snowmobiles.

Jensen Marine, 235 Fischer Street, Costa Mesa, California 92627. (714) 540-3440. P.O. Box 113, Marlboro, New Jersey 07746. (201) 431-0100

Cal line of auxiliary fiberglass ocean-racing sailboats.

The Kinney Company, 123 Stewart Street, Providence, Rhode Island 02903. (401) 272-6900. Telex: FCC

Emblematic jewelry, corporate service awards, promotional jewelry and executive gifts.

The Luhrs Company, P.O. Box 66, Marlboro, New Jersey 07746. (201) 462-8900

Inboard fiberglass power boats.

O'Day, P.O. Box 1087, 848 Airport Road, Industrial Park, Fall River, Mass. 02722. (617) 678-5291. Cable: MARIMP

Non-auxiliary fiberglass sailboats for day sailing, camping, cruising, and racing.

Ranger Yachts, 3090 Pullman Street, Costa Mesa, California 92627. (714) 546-8078. P.O. Box 113, Marlboro, New Jersey 07746. (201) 431-0100

Auxiliary fiberglass sailboats.

Rent-A-Cruise of America, P.O. Box 781, Industrial Park, Florence, Alabama 35630. (205) 764-3500

Rental of fully equipped houseboats and luxury type motor homes.

Seagoing Boats, P.O. Box 719, Industrial Park, Florence, Alabama 35630. (205) 764-2401

Fiberglass houseboats.

Starcraft Company, County Road 36, Goshen, Indiana 46526. (219) 533-4151, Telex: 25-8407

Aluminum and fiberglass outboard and inboard-outdrive runabouts, sportabouts, and cruisers; fishing boats and sailboats; folding camping trailers; travel trailers; Starcruiser motor homes; snowmobiles; all-terrain vehicles; farm equipment.

Yankee Motor Company, P.O. Box 38, 2910 Campbell Avenue, Schenectady, New York 12301. (518) 372-4727. Cable: YANKEE

Ossa and *Yankee* motorcycles and trail bikes, *Full Bore* oil and motorcycle accessories, *Boss* mini-cycles, Arova-Porsche ski-bobs.

Energy Systems

O. & M. Manufacturing Company, Houston, Texas 77029. (713) 675-3511

Industrial engine radiators; shell and tube heat exchangers; remote horizontal and vertical core coolers; unitized multi-service air coolers; evaporators and condensors.

Waukesha Motor Company, West Saint Paul Avenue, Waukesha, Wisconsin 53186. (414) 547-3311. Telex: 026769, Cable: MOTOR WAUKESHAWIS

Waukesha diesel, gasoline and natural gas engines and gas turbines for oilfield production, off-highway vehicles, marine propulsion, agricultural vehicles and irrigation, industrial lift truck and stationary applications. Power Systems Division packaged modules for electrical power generation, total energy, water pumping and refrigeration. Pleasure craft Marine Engine Division inboard/outboard and vee drive gasoline engines for recreational and commercial boats.

Waukesha Motor Western, Ltd., West Saint Paul Avenue, Waukesha, Wisconsin 53186. (414) 547-3311. Telex: 026769, Cable: WESMO

Western hemisphere trading company.

Agribusiness

Producers Cotton Oil Company, P.O. Box 1832, 2907 South Maple Avenue, Fresno, California 93717. (209) 268-7611. Telex: 355495, Cable: PRODCO. 4637 East Washington, Phoenix, Arizona 85034. (602) 275-3641

Integrated growing, processing, warehousing and merchandising of cotton and agricultural produce; vegetable oil and animal feed processing and manufacturing.

Public Security

eneral Ordnance Equipment Corporation, Box 11211, 900 Freeport Road, ittsburgh, Pennsylvania 15238. (412) 782-2100.	Non-lethal weaponry including *Chemical Mace*, *Pepper Fog*, tear gas generators, bullet resistant vests, night-vision scopes.
he Identi-Kit Company, 2230 East Wilmer Avenue, anta Ana, California 92705. (714) 557-4565.	System of visual identification of criminal suspects.
The Lake Erie Chemical Company, Rock Creek, Ohio 44084. 16) 563-3981. Cable: LECO.	Tear gas grenades and projectiles, gas masks and related riot control equipment, grenade launchers, police protective headgear.
acific Technology, 416 East Montecito Street, anta Barbara, California 93103. (805) 965-4551.	Defense research and development.
mith & Wesson, P.O. Box 2208, 2100 Roosevelt Avenue, Springfield, assachusetts 01101. (413) 736-8223. Telex: 955465. Cable: WESSON.	Revolvers, automatic pistols, air rifles, CO_2 pistols, hunting rifles, machine guns, handcuffs.
mith & Wesson-Floccon, 3640 Seminary Road, Alton, Illinois 62002. 18) 462-0001.	Shotgun shells, centerfire ammunition, reloading components.
mith & Wesson Leather Company, P.O. Box 2208, pringfield, Mass. 01102. (413) 733-2419.	Police and sporting holsters, belts, cartridge cases, rifle slings, leather accessories.
mith & Wesson Pyrotechnics, Inc., P.O. Box 247, Jefferson, Ohio 44047. 16) 576-3660. Cable: ICARUS.	Hand-held flares, distress and illuminating signals, line-throwing equipment.
mith & Wesson Security Services, 405 Park Avenue, New York, ew York 10022. (212) 758-6800. 122 East 42nd Street, New York, ew York 10017. (212) 599-6112.	Security services including surveys, consulting, and a wide range of investigative services.
tephenson Company, P.O. Box 1000, Red Bank, New Jersey 07701. 01) 542-7700. Cable: STEPHCORP.	*Breathalyzer* alcohol breath-testing equipment, *Speedalyzer* traffic radar, *Minuteman* and *Scout* resuscitators, TDS speed computers, electronic sirens, revolving warning lights, rescue and first-aid equipment.

Process Engineering & Equipment

erber Manufacturing Company, P.O. Box 11097, 7710 N. 30 Street, ampa, Florida 33610. (813) 237-3328. Telex: 052-755.	Automatic materials handling equipment primarily for the can manufacturing and canning industries.
artlett-Snow, 6200 Harvard Avenue, Cleveland, Ohio 44105. 16) 883-5700. Telex: 98-5388. Cable: BARTLETT-CLV.	Designs, engineers, fabricates and erects heat processing and bulk handling equipment for the chemical, process and foundry industries.
ECO, 5855 Grant Avenue, Cleveland, Ohio 44105. (216) 441-2400.	Industrial ovens and furnaces for the metal decorating, can manufacturing, heat treating, foundry and building products industries, air pollution control equipment, and sheet metal working machinery.
etstream Systems Company, P.O. Box 4177, 3486 Investment Boulevard, ayward, California 94544. (415) 785-9360. Telex: 336337.	Custom-engineered processing and materials handling equipment, using controlled jets of air.

Environmental Systems & Services

meco-Aire, 700 Dubuque Avenue, South San Francisco, alifornia 94080. (415) 871-8100. Telex: 34-9458.	Wholesale distributor of air conditioning, heating and refrigeration equipment, parts, supplies and controls. Serving the Western States through thirty-one branches.

International

angor Punta International Capital Company, One Greenwich Plaza, reenwich, Connecticut 06830. (203) 661-3900.	Develops offshore business opportunities through equity investments in companies that can benefit from the technical and marketing capabilities of Bangor Punta's domestic divisions.
angor Punta Oversees, S.A., 3, rue Adrien Lachenal, 1211 Geneva, 3, witzerland. (022) 35-96-05. Telex: 22275. Cable: CHARSAL—Geneva.	Provides financial and general management support and supervision for offshore subsidiaries and affiliates.
angor Punta World Trade Company, One Greenwich Plaza, reenwich, Connecticut 06830. (203) 661-3900. elex: 965909. Cable: Bangortrade.	International licensing, investments and joint ventures, export promotion and financing to develop offshore markets and resources for Bangor Punta Companies.
anneau Constructions Nautiques, S.A., 85, Les Herbiers (Vendee), rance. Tel: 350.	Broad range of fiberglass power and sailboats.
yler Boat Company, Ltd., Vale Road, Tonbridge, Kent, England. el: 5115/8. Cable: TYBOATS—Tonbridge.	Molds fiberglass hulls for sailboats and power boats up to 75 feet long, and produces complete racing sailboats.

ote: The italicized product names in this report are trademarks of Bangor Punta Corporation.

Report
1971
Withrop Inc.

Board of Directors

Harry S. Baker
Director, Bank of America

†Stephen Galle
Senior Vice President—Finance

William E. Hill
President, Management Consulting Division, Dun and Bradstreet, Inc.

Curtis M. Hutchins
Chairman, Dead River Company

*Frederick H. Kingsbury, Jr.
Partner, Brown Brothers Harriman & Co.

Charles E. Nelson
Director, First Holding Company, Inc. of Waukesha, Wisconsin

*Robert A. Page
Chairman, Garvey, Inc.

*Nicolas M. Salgo
Chairman of the Board

George H. Seal
Chairman, C. H. Sprague & Son Company

Robert G. Stone
Trustee

*James G. Tremaine
Partner, Prescott, Merrill, Turben & Co.

*David W. Wallace
President and Chief Executive Officer

Harry C. Wood
President, A. W. Benkert & Co., Inc.

Officers

Nicolas M. Salgo
Chairman of the Board

David W. Wallace
President and Chief Executive Officer

Stephen Galle
Senior Vice President—Finance

Harold Ehrenström
Vice President—European Operations

James L. Oberg
Vice President—Manufacturing

Vincent A. Perry
Vice President and Treasurer

Dudley C. Phillips
Vice President and General Counsel

¶Thomas D. Stephenson
Vice President—Administration

John J. Martin
Secretary and Associate General Counsel

†Elected by the Board on December 5, 1972.
*Member of the Executive Committee.
¶Retirement effective December 31, 1972.

Executive Offices

Bangor Punta Corporation
Bangor Punta Operations, Inc.
Bangor Punta International Capital Company
One Greenwich Plaza,
Greenwich, Conn. 06830
(203) 661-3900

New York City Tie-line: 792-8002
Telex: 96-5909
Cable: BNK-Greenwich

Bangor Punta Overseas S.A.
3 rue Adrien-Lachenal
1211 Geneva 3
Switzerland. (022) 35-98-05.

Telex: (845) 22275
Cable: CHARSAL-Geneva

Corporate Information

New York Stock Exchange Listings

Common Stock

$1.25 Convertible Preference Stock

$2.00 Convertible Preference Stock—Series C

5¾% Subordinated Bonds, due 1992

8¼% Convertible Subordinated Debentures, due 1994

5¼% Guaranteed Convertible Debentures, due 1988, Bangor Punta International Capital Company

5¼% Debentures also listed on Luxembourg Exchange

American and Pacific Coast Stock Exchanges
Common Stock Warrants—Series C, expiring March 31, 1981

Midwest and Pacific Coast Stock Exchanges
Common and $2.00 Preference

Transfer Agents for the Common and Preference Stocks

Irving Trust Company
One Wall Street
New York, New York 10015

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

1973 Annual Meeting

The annual meeting of stockholders will be held at 10:00 a.m. on Tuesday, March 6, 1973 at the Auditorium of The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts. The Notice of Meeting, Proxy and Proxy Statement will be mailed to stockholders on or about February 5, 1973.

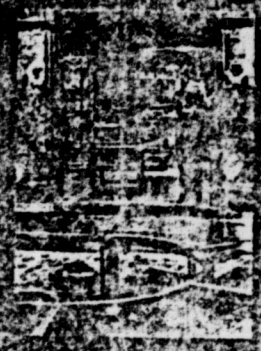
Bangor Punta Corporation

1058

PT 1
9-30-72



FILE COPY
RETURN TO
INVESTMENT LIBRARY
399 PARK AVE. 19TH FLOOR









Annual Report
For the Year Ended
September 30
1972

1. Investment in Piper Aircraft Corporation:
Bangor Punta owns of record approximately 52% of the outstanding Common Stock of Piper Aircraft Corporation acquired by cash purchases and pursuant to exchange offers made in 1969 to (a) certain stockholders of Piper who are parties to an Agreement dated as of May 8, 1969 (the Agreement) and (b) all other stockholders of Piper. The Agreement provides that in the event Bangor Punta succeeds in acquiring more than 50% of the outstanding stock of Piper, the Piper shareholders party thereto are to receive additional Bangor Punta securities and/or cash (the Additional Consideration).

On November 17, 1971, Bangor Punta brought an action in the United States District Court for the Southern District of New York against all the parties to the Agreement (i) seeking a declaratory judgment that such parties are not entitled to the Additional Consideration or any interest until such time as it has been determined by the final outcome of the legal actions growing out of Bangor Punta's acquisition of Piper stock that Bangor Punta has unchallenged legal title to more than 50% of the outstanding stock of Piper and (ii) claiming damages from such parties on account of misrepresentations alleged to have been made to Bangor Punta in connection with its purchase of Piper stock from the parties to the Agreement. No court disposition of this action has been made.

In August, 1971, in an action brought against Bangor Punta in the United States District Court for the Southern District of New York by the Securities and Exchange Commission, Bangor Punta was ordered to offer rescission to the former owners of approximately 110,000 shares of Piper acquired by Bangor Punta pursuant to its 1969 exchange offer to those former Piper shareholders not parties to the Agreement. The Court ordered Bangor Punta to offer such former Piper shareholders the opportunity to return the Bangor Punta securities received by them along with interest and dividends paid or payable on such securities, and in situations where the Bangor Punta securities originally issued were sold, any profit realized upon the acquisition of Bangor Punta securities for tender in acceptance of the rescission offer, in exchange for the Piper shares received by Bangor Punta plus all dividends paid or payable on such shares. If all such former Piper shareholders accepted the rescission offer, Bangor Punta would then own approximately 45% of the outstanding common stock of Piper Aircraft Corporation. The Securities and Exchange Commission has appealed that aspect of the Court's order requiring the payment to Bangor Punta of any profit resulting from the acquisition of Bangor Punta securities for tender in acceptance of the rescission offer as well as the denial by the Court of the request of the Commission for an injunction against Bangor Punta. Bangor Punta has appealed the order of rescission. These appeals were heard in August, 1972, and pending a decision on the appeal, the rescission offer has been deferred.

On December 10, 1971, the United States District Court for the Southern District of New York dismissed an action brought by Chris-Craft Industries, Inc., the owner of approximately 42% of Piper's Common Stock, against Bangor Punta, Piper and certain other persons, seeking $45,000,000 in damages. This action grew out of separate acquisitions of Piper stock by Bangor Punta and Chris-Craft. Bangor Punta's counter suit brought in the same court against Chris-Craft and certain other persons alleging violations of the securities laws and seeking injunctive relief and damages of $50,000,000 was also dismissed at that time. Chris-Craft and Bangor Punta have appealed the dismissal of these actions and these appeals were argued in August, 1972, Chris-Craft asserting in its appeal that it was entitled to the claimed damages or that Bangor Punta should divest itself of its controlling shares. Bangor Punta does not believe that Chris-Craft is entitled to any relief. As yet, there has been no decision in these appeals.

In May, 1972, a Piper shareholder filed a purported class action on behalf of certain Piper shareholders in the U. S. District Court for the Southern District of New York against Bangor Punta, Piper and certain former and present Piper directors seeking damages and alleging violations of the Securities laws by the defendants at the time of the acquisition of Piper shares by Chris-Craft and Bangor Punta. In the opinion of its special counsel for these matters, the ultimate disposition of the actions brought by Chris-Craft or by the Piper shareholder referred to in the preceding sentence will not have a material adverse effect upon Bangor Punta.

Bangor Punta's investment in Piper is carried in the accompanying balance sheet at cost (including a provision for the Additional Consideration of approximately $13,500,000, representing the maximum amount Bangor Punta believes may become due under the Agreement, and the costs related to legal matters arising from Bangor Punta's acquisition of Piper shares) adjusted for Bangor Punta's share of Piper's net losses for the period October 1, 1969 through September 30, 1972. At September 30, 1972 Bangor Punta's equity in the net assets of Piper was approximately $15,800,000. The financial statements of Piper for the years ended September 30, 1971 and September 30, 1972 and the qualified report thereon of its auditors, Arthur Young & Company, which are included elsewhere in the annual report, are incorporated herein by reference. Until the matters referred to in this note are ultimately resolved, Bangor Punta will not be in position to determine the effect, if any, that such matters will have on the carrying value of its investment in Piper.

ONLY COPY AVAILABLE

Board of Directors

Harry S. Baker
Director, Bank of America

†Stephen Galle
Senior Vice President—Finance

William E. Hill
President, Management Consulting Division, Dun and Bradstreet, Inc.

Curtis M. Hutchins
Chairman, Dead River Company

*Frederick H. Kingsbury, Jr.
Partner, Brown Brothers Harriman & Co.

Charles E. Nelson
Director, First Holding Company, Inc. of Waukesha, Wisconsin

*Robert A. Page
Chairman, Garvey, Inc.

*Nicolas M. Salgo
Chairman of the Board

George H. Seal
Chairman, C. H. Sprague & Son Company

Robert G. Stone
Trustee

*James G. Tremaine
Partner, Prescott, Merrill, Turben & Co.

*David W. Wallace
President and Chief Executive Officer

Harry C. Wood
President, A. W. Benkert & Co., Inc.

Officers

Nicolas M. Salgo
Chairman of the Board

David W. Wallace
President and Chief Executive Officer

Stephen Galle
Senior Vice President—Finance

Harold Ehrenström
Vice President—European Operations

James L. Oberg
Vice President—Manufacturing

Vincent A. Perry
Vice President and Treasurer

Dudley C. Phillips
Vice President and General Counsel

¶Thomas D. Stephenson
Vice President—Administration

John J. Martin
Secretary and Associate General Counsel

†Elected by the Board on December 5, 1972.
*Member of the Executive Committee.
¶Retirement effective December 31, 1972.

Executive Offices

Bangor Punta Corporation
Bangor Punta Operations, Inc.
Bangor Punta International Capital Company
One Greenwich Plaza,
Greenwich, Conn. 06830
(203) 661-3900

New York City Tie-line: 792-8002
Telex: 96-5909
Cable: BNK-Greenwich

Bangor Punta Overseas S.A.
3 rue Adrien-Lachenal
1211 Geneva 3
Switzerland. (022) 35-98-05.

Telex: (845) 22275
Cable: CHARSAL-Geneva

Corporate Information

New York Stock Exchange Listings

Common Stock

$1.25 Convertible Preference Stock

$2.00 Convertible Preference Stock—Series C

5¾% Subordinated Bonds, due 1992

8¼% Convertible Subordinated Debentures, due 1994

5¼% Guaranteed Convertible Debentures, due 1988, Bangor Punta International Capital Company

5¼% Debentures also listed on Luxembourg Exchange

American and Pacific Coast Stock Exchanges
Common Stock Warrants—Series C, expiring March 31, 1981

Midwest and Pacific Coast Stock Exchanges
Common and $2.00 Preference

Transfer Agents for the Common and Preference Stocks

Irving Trust Company
One Wall Street
New York, New York 10015

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

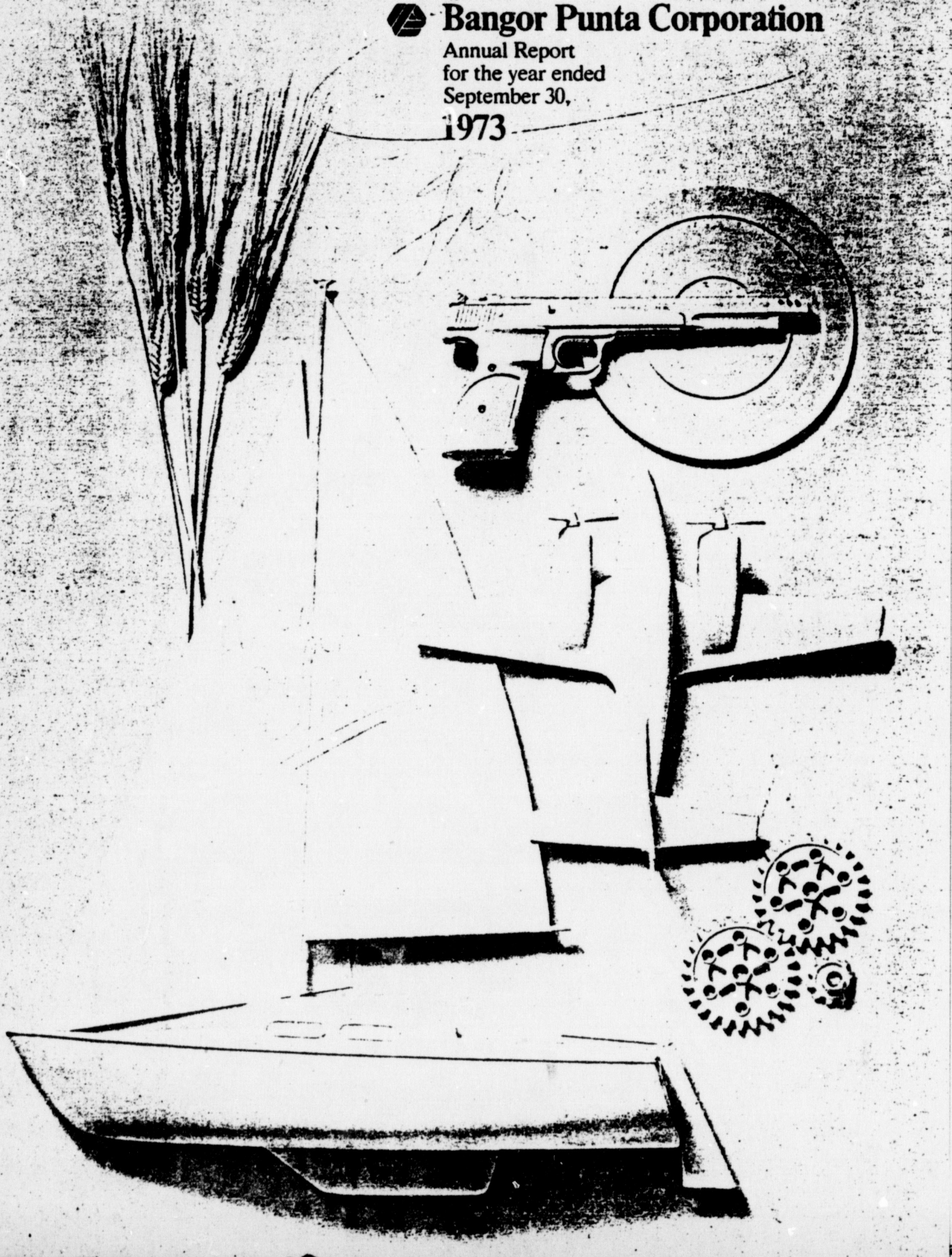
1973 Annual Meeting

The annual meeting of stockholders will be held at 10:00 a.m. on Tuesday, March 6, 1973 at the Auditorium of The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts. The Notice of Meeting, Proxy and Proxy Statement will be mailed to stockholders on or about February 5, 1973.

1061

Bangor Punta Corporation

Annual Report
for the year ended
September 30,
1973



Board of Directors

Harry S. Baker
Director, Bank of America

†Gerald B. Brewer
President, Producers Cotton Oil Company

*Stephen Galle
Senior Vice President—Finance

†William G. Gunn
Vice President

William E. Hill
President, Management Consulting Division, Dun and Bradstreet, Inc.

*Curtis M. Hutchins
Chairman, Dead River Company

*Frederick H. Kingsbury, Jr.
Partner, Brown Brothers Harriman & Co.

†John H. Laeri, Jr.
Executive Vice President, Donaldson, Lufkin & Jenrette, Inc.

Charles E. Nelson
Director, First Holding Company, Inc. of Waukesha, Wisconsin

*Robert A. Page
President, Garvey, Inc.

Nicolas M. Salgo
Chairman Emeritus

George H. Seal
Director and Consultant, C. H. Sprague & Son Company

Robert G. Stone
Trustee

*James G. Tremaine
Partner, Prescott, Ball & Turben

*David W. Wallace
Chairman of the Board and President

Harry C. Wood
President, A. W. Benkert & Co., Inc.

Officers

David W. Wallace
Chairman of the Board and President

Stephen Galle
Senior Vice President—Finance

Harold Ehrenström
Vice President

William G. Gunn
Vice President

James L. Oberg
Vice President

Vincent A. Perry
Vice President and Treasurer

Dudley C. Phillips
Vice President and General Counsel

John J. Martin
Secretary and Associate General Counsel

*Member of the Executive Committee.
†Elected by the Board in December, 1973

Executive Offices

Bangor Punta Corporation
Bangor Punta Operations, Inc.
Bangor Punta International Capital Company
One Greenwich Plaza
Greenwich, Connecticut 06830
(203) 661-3900

New York City Tie-line: (212) 792-8002
Telex: 96-5909
Cable: BNK-Greenwich

Bangor Punta Overseas S.A.
3 rue Adrien-Lachenal
1211 Geneva 3
Switzerland
(022) 35-98-05.

Telex: (845) 22275
Cable: CHARSAL-Geneva

Corporate Information

New York Stock Exchange Listings

Common Stock

$1.25 Convertible Preference Stock

$2.00 Convertible Preference Stock—Series C

5¾ % Subordinated Bonds, due 1992

8¼ % Convertible Subordinated Debentures, due 1994

5¼ % Guaranteed Convertible Debentures, due 1988, Bangor Punta International Capital Company

5¼ % Debentures also listed on Luxembourg Exchange

American and Pacific Coast Stock Exchanges
Common Stock Warrants—Series C, expiring March 31, 1981

Midwest and Pacific Coast Stock Exchanges
Common and $2.00 Preference

Transfer Agents for the Common and Preference Stocks

Irving Trust Company
One Wall Street
New York, New York 10015

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

1974 Annual Meeting

The annual meeting of stockholders will be held at 9:30 a.m. on Tuesday, March 5, 1974, at the Marie Cole Auditorium, 101 West Putnam Avenue, Greenwich, Connecticut. The Notice of Meeting, Proxy and Proxy Statement will be mailed to stockholders on or about February 5, 1974.

(1) Investment in Piper Aircraft Corporation: Bangor Punta and its principal wholly-owned subsidiary own of record approximately 52% of the outstanding common stock of Piper acquired by cash purchases and pursuant to exchange offers made in 1969 to (a) certain stockholders of Piper who are parties to an Agreement dated as of May 8, 1969 ("the May 8 Agreement"), and (b) all other stockholders of Piper. Chris-Craft Industries, Inc. (Chris-Craft) owns approximately 43% of the outstanding Piper Common Stock.

On March 16, 1973, the United States Court of Appeals for the Second Circuit affirmed the August 1971 judgment of the United States District Court for the Southern District of New York entered in an action brought by the Securities and Exchange Commission against Bangor Punta requiring Bangor Punta to offer to the former owners of 110,802 shares of Piper Common Stock acquired in 1969 by Bangor Punta in its exchange offer to the Piper shareholders not party to the May 8 Agreement, the opportunity to rescind the transaction and return the Bangor Punta securities received by them together with any interest or dividends paid or payable on such securities, for the Piper shares transferred to Bangor Punta, plus all dividends paid or payable on such shares. If all such former Piper shareholders accepted the rescission offer, Bangor Punta would then own approximately 45% of the outstanding Piper Common Stock.

Also, on March 16, 1973, the Court of Appeals reversed the December, 1971 decision of the United States District Court for the Southern District of New York which dismissed an action brought by Chris-Craft against Bangor Punta, Piper and certain other persons, seeking equitable relief and money damages. This action arose out of the separate acquisitions of Piper stock by Bangor Punta and Chris-Craft in 1969. The Court of Appeals remanded the matter to the District Court, with the direction to determine the amount of money damages suffered by Chris-Craft and to assess the damages as so determined jointly and severally against Bangor Punta, two of its principal officers, and directors (one of whom has since retired as an officer), The First Boston Corporation ("First Boston") and three members of the Piper family. The Court of Appeals affirmed the dismissal of the action against Piper and directed the District Court to determine whether two officers of First Boston should also be held liable. The Court of Appeals stated that the "measure of damages should be the reduction in the appraisal value of [Chris-Craft's] Piper holdings attributable to [Bangor Punta's] taking a majority position and reducing [Chris-Craft] to a minority position, and thus being able to compel a merger at any time." The Court of Appeals also directed the District Court to include in its judgment an injunction barring Bangor Punta from voting for a period of at least five years 231,002 shares (approximately 14% of the total outstanding) of its Piper common stock and such other equitable relief that it deems appropriate. These 231,002 shares include the 110,802 shares subject to the above-mentioned rescission offer and to the extent the rescission offer is accepted, the voting prohibition would no longer apply. The United States Supreme Court has declined to review the Court of Appeals decision, and the action has been returned to the District Court for further proceedings. A hearing is scheduled for March 1974.

In July, 1969, Bangor Punta was added as a defendant in an action which had been filed in February, 1969 in the United States District Court for the Southern District of New York, against Piper, certain of its present and former officers and directors and other defendants, by a Piper shareholder. The action purports to be both a derivative action on behalf of Piper, and a class action on behalf of Piper shareholders. The action seeks various types of equitable relief against the defendants and an unstated amount of money damages. In May, 1972, this same Piper shareholder filed a purported class action on behalf of certain Piper shareholders in the United States District Court for the Southern District of New York against Bangor Punta, Piper and certain former and present officers and directors of Piper alleging violations of the securities laws by the defendants relating to the acquisition of Piper shares in 1969. The complaint seeks substantial money damages and equitable relief. Both of these cases are in the early stages of pre-trial discovery.

The May 8 Agreement provides that in the event Bangor Punta succeeds in acquiring more than 50% of the outstanding stock of Piper, the Piper shareholders party thereto are to receive additional Bangor Punta securities and/or cash ("Additional Consideration"). Under the terms of the May 8 Agreement, the Additional Consideration, if due and payable, will be an amount of Bangor Punta securities and/or cash as determined by First Boston to be equivalent to the sum of $13,281,535. On November 17, 1971, Bangor Punta brought an action in the United States District Court for the Southern District of New York against all the parties to the May 8 Agreement (i) seeking a declaratory judgment that such parties are not entitled to the Additional Consideration until such time as it has been determined that Bangor Punta has unchal-

lenged legal title to, and the right to exercise all incidents of ownership of, more than 50% of the outstanding shares of Common Stock of Piper, and (ii) claiming damages on account of misrepresentations and omissions alleged to have been made to Bangor Punta in connection with its purchase of Piper stock from the parties to the May 8 Agreement. The defendants have filed a counterclaim against Bangor Punta alleging breach of the May 8 Agreement by Bangor Punta and seek money damages of $13,281,535 together with interest thereon from September 9, 1969. Bangor Punta intends to amend its complaint in this action to seek further alternative declaratory relief that, as a result of the Court's enjoining Bangor Punta from voting 231,002 Piper shares for at least five years, any obligation to pay the Additional Consideration has been effectively extinguished.

While it is difficult to predict the outcome of litigation with certainty, it is the opinion of Bangor Punta's management, based in part on the opinion of special counsel for these matters, that the ultimate disposition of the actions referred to above will not have a material adverse effect upon Bangor Punta's financial condition.

Bangor Punta's investment in Piper is carried at cost (including the costs relating to legal matters arising from Bangor Punta's acquisition of Piper shares and at September 30, 1972, included a provision for the issuance of additional securities with an original value of approximately $13,500,000 [debt, $6,500,000 and equity securities, $7,000,000] as the Additional Consideration) adjusted for Bangor Punta's share of Piper's income or loss since October 1, 1969. Based upon the opinion of special counsel that, as a consequence of the injunctive provisions mandated by the Court of Appeals in its March 16, 1973 decision, Bangor Punta has a meritorious claim, which should be sustained, that the obligation to pay the Additional Consideration has been effectively extinguished, Bangor Punta has eliminated the provision for the Additional Consideration from the amount at which its investment in Piper is carried on its balance sheet. Accordingly, the cost of Bangor Punta's investment in Piper was reduced on August 10, 1973 by $13,500,000. At September 30, 1972 and 1973, Bangor Punta's equity in the net assets of Piper as reflected on Piper's financial statements was approximately $15,800,000 and $18,100,000, respectively. The latter sum was $36,387,000 less than the carrying value. The financial statements of Piper for the years ended September 30, 1972 and 1973 and the qualified report thereon of its independent auditors, which are included elsewhere in the annual report, are incorporated herein by reference. Until the matters referred to in this note are finally resolved, Bangor Punta will not be in a position to determine the effect, if any, that such matters will have on the amount at which its investment in Piper is carried on its balance sheet.

(2) Investment in Prodco:

Condensed balance sheets (after eliminating intercompany items) of Prodco, wholly owned by Producers Cotton Oil Company (a subsidiary of Bangor Punta), are as follows:

	September 30	
	1973	1972
	(In thousands of dollars)	
Current assets:		
Cash	$ 25	$ 25
Notes and accounts receivable	1,739	1,903
Loans and advances to growers	19,971	17,397
Total current assets	21,735	19,325
Current liabilities:		
Loans payable to banks	9,699	13,415
Accounts payable and accrued expenses	2,524	1,382
Total current liabilities	12,223	14,797
Working capital	9,512	4,528
Noncurrent notes and loans receivable	1,737	3,466
Producers' equity	$11,249	$ 7,994
Comprised of:		
Advances by parent—current*	$ 9,512	$ 4,528
Investment:		
Advances—noncurrent	1,484	3,292
Capital stock	25	25
Retained earnings at beginning of period	149	81
Add Revenues	1,665	1,457
Less Expenses	1,586	1,389
Retained earnings at end of period	228	149
Total investment by parent	1,737	3,466
Total investment and advances	$11,249	$ 7,994

**Included in "Other current assets" in the consolidated balance sheet.*

Producers Cotton Oil Company is obligated, while there is Prodco indebtedness to a bank, to advance Prodco $4,000,000 subordinated to the bank loans, and has also guaranteed 20% of the maximum amount advanced by certain banks to Prodco during the year; and with respect to the principal bank has guaranteed the 20% or $4,000,000 whichever is greater.

(3) Acquisitions, Dispositions and Extraordinary Items:

In 1972, Westbrook Company, Inc. was acquired for 40,000 shares of treasury common stock and in 1973, the remaining 50% of the outstanding stock of Smith & Wesson-Fiocchi, Inc. (changed to S & W Ammunition Company)

PLAINTIFF
1065 EXHIBIT
U. S. DIST COURT
S. D.

165 .10

CORPORATE PLANNING COMMITTEE
August 25, 1969

EXHIBITS

I. NEW PRODUCT PLANNING REVIEW

One. Brief Review of Planning System

Two. Product Development Programs - Vero Beach

Three. Product Development Programs - Lock Haven

Four. Project Descriptions and Evaluations - Vero Beach

Five. Project Descriptions and Evaluations - Lock Haven

Six. Comments and Recommendations

II. 1970 SALES AND INCOME OUTLOOK

Seven. Preliminary 1970 Sales Forecast

Eight. Preliminary 1970 Income Forecast

Nine. Comments and Recommendations

Exhibit One

August 25, 1969

PIPER AIRCRAFT CORPORATION

Major Elements of the Corporate Plan

I. CORPORATE GOALS

II. CORPORATE MARKETING PLAN

III. THE NEW PRODUCT PLAN

- A. New Product Specifications
- B. Financial Evaluation
- C. New Product Priorities
- D. Approval of Specificiations and Priorities
  1. Development Planning Committee Recommendation
  2. Corporate Planning Committee Review and Approval
- E. New Product Introduction Schedule
  1. Detailed Engineering Plan and Schedule
  2. Detailed Manufacturing Plan and Schedule

IV. FIVE YEAR SALES FORECAST

- A. Detailed Budget Year Forecast
- B. Long Range Forecast
- C. Approval of the Forecasts
  1. Development Planning Committee Recommendation
  2. Corporate Planning Committee Review and Approval

V. DETAILED ORGANIZATION PLAN SUBMISSIONS

- A. Major Elements
  1. Summary of Goals and Programs
  2. Personnel Plan and Budget Submission
  3. Capital Expenditure Budget Submission
  4. Overhead Expense Projections
  5. Detailed Manpower Plans - Engineering
  6. Detailed Manpower Plans - Manufacturing

Major Elements of the Corporate Plan

VI. PRELIMINARY FINANCIAL SUMMARY

A. Major Elements

1. Income Projection
2. Cash Flow Projection
3. Capital Expenditure Summary
4. Fixed Overhead Summary

VII. CORPORATE PLANNING COMMITTEE REVIEW AND APPROVAL

A. Review and Approval of Detailed Organization Plans and Budgets

B. Review and Approval of Final Financial Plan

VIII. FORMAL BUDGETS ISSUED

IX. FORMAL SALES GOALS ISSUED

X. PLAN SUMMARY PREPARED

Exhibit Two

PIPER AIRCRAFT PRODUCT DEVELOPMENT PROGRAMS

Vero Beach Projects

Project (By Order of Priority)	Engineering Status Code*	Market	Engineering Manhour Estimates Total	Engineering Manhour Estimates Req'd. for Completion**	Approximate Finish
1. PA-34	Des	Low Priced Twin	249,245	60,000	Aug. 1970
2. Fixed Pitch Carbureted Arrow	Prel	Low Priced Single Engine Retractable	6,500	6,500	July 1970
3. Turbocharged Cherokee Six	Prel	Six Place Single Engine	$57,000	outside [illegible]	June 1970
4. Turbocharged Arrow 200	Prel	High Price/Performance Retractable	16,000	16,000	Oct. 1970
5. Air Conditioning for All Cherokees	Prel	Owners in Warm Climates	18,000	18,000	Sept. 1970
6. PA-36	Des	Heavy Agricultural	147,150	102,400	June 1972
7. Continental Arrow 260	Prel	High Price/Performance Single Engine Retractable	54,000	54,000	Aug. 1971
8. Continental PA-32R (320)	Prel	Six Place High Price Single Engine Retractable	45,000	45,000	Sept. 197[illegible]
9. Light Trainer	Prel	Flight Instruction Market	126,000	126,000	Oct. 1972
10. The Lance	Prop	Single Engine Four Place	65,000	65,000	Dec. 1972
11. PA-28R-II	Prel	High Priced Single Engine Retractable	33,000	33,000	Nov. 1972
12. PA-35	Prel	Commuter	$40,000	$175,000	---------

**Estimated to be Required as of September 1, 1969

* Prop = Proposed
Prel = Preliminary Design Status
Des = Design Project
EDR'd = Released to Production

* [illegible]

365,000

8201

Exhibit Three

August 25, 1969

PIPER AIRCRAFT PRODUCT DEVELOPMENT PROGRAMS

Lock Haven Projects

Project (By Order of Priority)	Engineering Status Code*	Market	Engineering Manhour Estimates Total	Engineering Manhour Estimates Req'd. for Completion***	Approximate Timing
1. PA-30 Sup. Flt. Char.**	Des	Low Priced Twin	4,050	2,500	Feb. 19
2. Turbocharged PA-24	Des	High Performance/Price Single Engine Retractable	4,000	4,000	Mar. 1970
3. Quick New Model Aztec	Prop	Medium Price Twin	6,000	5,000	Sept. 1970
4. Pressurized Navajo PA31P	EDR'd	$150,000 - $300,000 Corporate	444,400	9,400	July 1970
5. Several Improvements in Current Navajo	Des	$90,000 - $150,000 Twin	6,500	5,500	Sept. 1970
6. Turbonrop Navajo	Des	Over $300,000 Corporate	218,100	73,100	May 1971
7. PA-30 Landing Characteristics	Prel	Low Priced Twin	18,000	17,000	July 1971
8. Navajo II	Des	$100,000 - $150,000 Twin	101,000	97,000	Dec. 1971
9. PA-23E	Prel	Medium Priced Twin	71,400	61,000	Mar. 1971
10. PA-37	Prel	$90,000 - $150,000 Twin	279,400	269,400	Sept. 1973
11. PA-30 Fuselage Modifications	Prop	Low/Medium Priced Twin	109,200	109,200	Dec. 1973
12. PA-24 Fuselage Modifications	Prop	High Performance/Price Single Engine Retractable	66,900	66,900	July 1974

1069

* Prop = Proposed
Prel = Preliminary Design Status
Des = Design Project
EDR'd = Released to Production

**Received Corporate Planning Committee Approval July 18, 1969
***Estimated to be Required as of October 1, 1969

#10

PROJECT DESCRIPTIONS AND EVALUATIONS

Summary

VERO BEACH PROJECTS

1. PA-34

a. Description

The PA-34 is a twin engine, low wing aircraft with retractable landing gear. Insofar as possible, it utilizes the Cherokee Six airframe components. Engines are horizontal carburetor 180 h.p. Lycomings. Seating capacity is six passengers with a gross weight of 4,000 pounds. Target empty weight is 2,358 pounds, leaving a useful load of 1,632 pounds. No performance objectives have been established other than maintaining altitude in single engine flight at 5,000 feet or as close to that altitude as possible at this gross weight.

b. Marketing Evaluation

Significant volume has been projected. Questions exist on appropriateness of specifications.

c. Financial Evaluation

Early evaluation now obsolete.

2. Fixed Pitch Arrow

a. Description

This airplane will be a 180 h.p. carburetor version of the Arrow with a fixed pitch propeller. The airplane is expected to replace the present 180 h.p. Arrow. The airplane will have a name and a paint scheme which will distinguish it from our current Arrow and the Cherokee 180. It is planned to be priced between the Arrow and the Cherokee 180. It will cruise at approximately 153 mph as compared to 162 mph for our current 180 h.p. Arrow.

b. Marketing Evaluation

Merchandising leader. Modest incremental unit forecast.

c. Financial Evaluation

Negative recommendation.

3. Turbocharged Cherokee Six

a. Description

This aircraft will differ from our current Cherokee Six in the following respects:

(1) It will be turbocharged, giving it improved performance and high altitude operating capability.

(2) The gross weight will be changed from 3,400 pounds to 3,600 pounds, adding to useful load.

(3) The forward gross weight point of center of gravity envelope will be moved forward to improve loading capabilities. The airplane will be flight tested and certificated to 24,000 feet.

(4) A new paint scheme will be developed to distinguish this aircraft from the others in the Cherokee Six series.

b. Marketing Evaluation

Significant volume has been forecast.

c. Financial Evaluation

No financial evaluation.

4. Turbocharged Arrow 200

a. Description

This will be basically the same as the present 200 h.p. Arrow except that it will be equipped with an AiResearch manufactured turbocharger. The airplane will be tested and approved at altitudes to 24,000 feet.

b. Marketing Evaluation

Significant volume projected.

c. Financial Evaluation

No financial evaluation.

5. Air Conditioning for All Cherokees

a. Description

This program will result in the development and approval of air conditioning installations as production options for the entire Cherokee model line for 1970. As much of the program as possible will be completed by May 1, 1970, to take advantage of the sales possibilities during the summer months of 1970. The first installation will be designed for production line

operations only. Later, studies will be made to determine whether or not this can be offered on a retrofit basis. The design objectives are to produce an installation weighing approximately 45 pounds with a cost to Piper not to exceed $250. The first installation will be available on the Cherokee 140.

b. Marketing Evaluation

No volume forecast.

c. Financial Evaluation

No evaluation.

6. PA-36

a. Description

This airplane will be an all new design for an agricultural aircraft, incorporating features which our Sales and Engineering groups feel will correct deficiencies found in agricultural aircraft presently in service. Considerable use will be made of fiberglass structures and the entire airplane will be designed to minimize maintenance requirements. Our current engineering plan calls for the initial version of this airplane to employ a 285 h.p. Continental engine and a hopper size of approximately 30 cubic feet. The next version of the aircraft would employ a 320 h.p. Continental engine and a hopper size of approximately 38 cubic feet. The third version of this aircraft would have a much smaller engine and hopper, and amount to a replacement for our current Pawnee.

b. Marketing Evaluation

Previous volume forecasts obsolete. Questions exist on appropriateness of specifications.

3. Financial Evaluation

Early financial evaluation obsolete.

7. Continental, Arrow 260

a. Description

This airplane is essentially a PA-28R-180 with the Continental 260 h.p. hyrdo-torque engine installed. The wing will be redified to carry 84 gallons of fuel and the useful load will accommodate full fuel, four passengers, 120 pounds of luggage, and 174 pounds of avionics. As far as possible, the wing will be identical to the wing used on the PA-32R-320 (Continental Six Retractable). The non-turbocharged version will be introduced first, followed quickly by a turbocharged version.

b. Marketing Evaluation

No volume forecast. Questions on product line fit, specifications and priority.

c. Financial Evaluation

No financial evaluation.

8. Cherokee Six Retractable

a. Description

This airplane is essentially the PA-32 with retractable landing gear and one of the new Continental hydro-torque engines. The landing gear retraction system will include the Arrow automatic gear extension system. With the exception of the powerplant and the retractable gear system, all other protions of the aircraft will remain the same. The airplane as developed initially will be normally aspirated. However, a turbocharged version will quickly follow and is a part of this project.

b. Marketing Evaluation

Significant volume has been forecast. Strong Marketing/Sales support.

c. Financial Evaluation

Financial evaluation obsolete.

9. Light Trainer

a. Description

This airplane will be a light trainer of an all new design. It will be developed so as to meet all competition in the field in the form of a low cost, economical, side-by-side training aircraft. Considerable emphasis will be placed on having a low initial cost and low operating costs. Emphasis will be placed on flight handling characteristics and low noise level.

b. Marketing Evaluation

Significant volume has been forecast. Substantial Marketing Research back-up.

c. Financial Evaluation

Financial evaluation obsolete.

10. Lance

a. Description

This airplane is to be a four-place, economical aircraft based on the Light Trainer design. Wherever practical, the airframe components will be identical to those used in the Light Trainer. A larger powerplant will be installed, and the selection of the engine will be made at a later date to take advantage of any improvements in powerplant technology which may be available at that time.

If Preliminary Design indicates that this design is not feasible, the present Cherokee 140 may be upgraded to fill this product line position.

b. Marketing Evaluation

Significant volume has been forecast. Strong Marketing/Sales support.

c. Financial Evaluation

Financial evaluation obsolete.

11. Arrow II

a. Description

This airplane is the further development of the PA-28R with a lengthened cabin section so as to provide more rear seat room. A study will be made of entrance and egress problems, and our design objective will be a modified cabin to improve both of these problems. This could be in the form of an additional door on the left side of the aircraft or a wider door in the present location, or a combination of both. In addition, a study will be made of the possibility of having the actuated seats situated in a more convenient position in the door opening. The aircraft will have completely new styling for interiors and exterior and be the first in the development of a new series of Cherokee aircraft.

b. Marketing Evaluation

Preliminary forecasts only. Part of 1968 product plan proposal.

c. Financial Evaluation

No financial evaluation.

12. PA-35

a. Description

At the time of last year's plan, the PA-35 was conceived as a 15-18 place commuter aircraft powered by Lycoming reciprocating engines. Lycoming's recently announced inability to provide the powerplants promised, as well as flight characteristics problems requiring increases in structural

[illegible] have raised many questions about the specification for [illegible] project. At present, no feasible specification for the project [illegible].

b. Marketing Evaluation

[illegible] volume forecast obsolete. Recent study indicates limited volume. [illegible] concerning specifications.

[illegible] Evaluation

[illegible] financial evaluation obsolete.

August [illegible]

PROJECT DESCRIPTIONS AND EVALUATIONS

Summary

LOCK HAVEN PROJECTS

1. PA-30 Conversion Flight Characteristics

a. Description

This is a new version of the PA-30 in which the right engine rotates counter-clockwise and on which a stick shaker or other [illegible] warning and prevention devices will be introduced. The airplane will have a new paint scheme, and this new model will be introduced as a technological advance in general aviation twin engine aircraft.

The airplane will have substantially improved performance and flight characteristics. VMC on the prototype has been reduced 15 mph. The airplane is completely controllable in all stall configurations. Take-off and landing characteristics have been improved. It is possible that single engine ceilings, rates of climb, and take-off distances may be improved. Field service implications have been considered and appear manageable. Production labor and material costs have been studied and are considered negligible.

b. Marketing Evaluation

Development Planning Committee recommendation as emergency project.

c. Financial Evaluation

Corporate Planning Committee approval.

2. Turbocharged PA-24

a. Description

This project will add turbocharging as an option to our airplanes [illegible] Comanche. Turbocharging will provide improved cruise and high altitude performance for the airplane.

b. Marketing Evaluation

Significant volume has been forecast for the airplane.

c. Financial Evaluation

No financial evaluation.

3. Quick New Model Aztec

a. Description

As currently defined this airplane will have a slightly extended nose to improve appearance. A slight extension of the aft baggage compartment will provide some additional baggage space. The model will have a new interior scheme. Tip tanks may be introduced along with a high compression engine if these features are available in time.

b. Marketing Evaluation

No volume forecast. Questions on adequacy of specifications.

c. Financial Evaluation

No financial evaluation.

4. Pressurized Navajo

a. Description

This airplane is a pressurized version of our current piston-powered Navajo with modifications appropriate to pressurization and a higher priced class of aircraft.

b. Marketing Evaluation

Significant volume forecast. Questions on adequacy of certain specifications.

c. Financial Evaluation

Financial evaluation requires updating.

5. Several Improvements in the Current Navajo

a. Description

This project would add wing lockers, cargo door, pilot's door, and seat installations as production line options to our current Navajo.

b. Marketing Evaluation

No volume forecast. Strong Marketing/Sales support.

c. Financial Evaluation

No financial evaluation.

6. Turboprop Navajo

a. Description

This is a high performance version of our pressurized Navajo using P[illegible] and Whitney turbine engines. Modifications will be made as necessary to accommodate turbine engines, higher performance, and increased pro[illegible] weight.

b. Marketing Evaluation

Significant volume has been forecast.

c. Financial Evaluation

Financial evaluation obsolete.

7. PA-30 Landing Characteristics

a. Description

This project is aimed at improving the landing characteristics of [illegible] PA-30 by extending the main gear.

b. Marketing Evaluation

No volume forecast. Marketing/Sales support.

c. Financial Evaluation

No financial evaluation.

8. Navajo II

a. Description

This airplane will be an extended fuselage version of our current [illegible] incorporating certain other improvements as well. The extended fu[illegible] will increase the cargo carrying capacity of the airplane as well as provide additional seating capacity.

b. Marketing Evaluation

Preliminary forecasts only. Part of 1968 product plan propos[illegible]

c. Financial Evaluation

No financial evaluation.

9. PA-23:

a. Description

This project will make a number of improvements to our current Aztec, among them increased cargo carrying capacity, improved appearance, and increased baggage space.

b. Marketing Evaluation

Significant volume forecast.

c. Financial Evaluation

No financial evaluation (in process).

10. PA-37

a. Description

This airplane will be a four-six place pressurized aircraft. A primary design objective is a retail price between $90,000 and $100,000.

b. Marketing Evaluation

No volume forecast.

c. Financial Evaluation

No financial evaluation.

11. PA-30 Fuselage Modifications

a. Description

This project is aimed at making the PA-30 more acceptable from the point of interior room and comfort and exit and entry ease.

b. Marketing Evaluation

Preliminary evaluation only. Part of 1968 product plan proposal.

c. Financial Evaluation

No financial evaluation.

12. PA-24 Fuselage Modifications

a. Description

This project would incorporate the fuselage modifications made in our single engine Comanche.

ONLY COPY AVAILABLE

b. Marketing Evaluation

Preliminary evaluation only. Part of 1968 product plan proposal.

c. Financial Evaluation

No financial evaluation.

August 25, 1960

NEW PRODUCT PLANNING REVIEW

Comments and Recommendations

1. We do not have the minimum information required to make good decisions on developments and priorities today.

2. We can get the missing information quickly with Corporate Planning Committee Authorization.

3. We have not been enforcing our development procedures with regard to project control and approval as required by Corporate Procedure #12-1.

4. As a result of our development planning problems and delays, we are now facing certain operating problems in our development groups. Among these are:

a. We are spending engineering time on major projects that have not been approved by this group. Our Engineering groups do not have clear Corporate Planning Committee approval for the use of all currently available engineering time.

b. We are about to commit time to projects that may be of questionable value.

It is very likely that a. and b. above could lead to the inefficient use of our engineering time.

RECOMMENDATIONS:

On the basis of the above, we recommend the following program:

a. Today, we should make the best judgments possible on projects and priorities based on the limited information available. These initial decisions will provide the operating direction necessary for our Engineering groups at this time. These decisions will also be the starting point for further analysis.

b. Today's decisions should be followed immediately by the Engineering and Manufacturing planning required to establish a New Product Introduction Schedule. Marketing should then prepare a revised sales forecast.

c. Based on b., Finance should make a financial evaluation of the projects in the plan.

d. A meeting of the Corporate Planning Committee should be called as soon as the results of b. and c. are available. At that time priorities can be shifted based on the concrete financial and

marketing analysis which will be available, and questionable projects culled out. The new products and priorities established at this next meeting would be the basis of the formal 1970 Long Range Plan.

e. The Corporate Planning Committee should appoint today a committee to review and establish overall corporate goals and strategies as a basis for future corporate development and marketing planning. The reworking of our goals and strategies should be accomplished within the next three months.

f. The Corporate Planning Committee should appoint a group to prepare a corporate marketing plan proposal for presentation to the Development Planning Committee in February. This marketing plan would be a major input for the 1971 Long Range New Product Plan. The committee working on this report should pay careful attention to the redefined corporate goals and strategies established as outlined in e. above.

PIPER AIRCRAFT CORPORATION

Preliminary 1970 Sales Forecast*
($ Million)

Model	Units	$ in 1969 Prices	$ in 1970 Prices
Super Cub	120	$ 1.1	$ 1.2
Pawnee	325	4.6	5.0
Comanche	140	3.6	3.9
Twin Comanche	180	7.1	7.7
Aztec	280	15.3	16.5
Navajo	180	17.2	18.5
Pressurized Navajo	10	2.2**	2.2
Cherokee Trainer	1,200	11.9	12.8
Cherokee 180	500	6.7	7.3
Cherokee Arrow 180	110	1.8	1.9
Cherokee Arrow 200	340	6.0	6.5
Cherokee 235	100	1.6	1.8
Cherokee Six 260	110	2.2	2.4
Cherokee Six 300	200	4.7	5.0
Parts		8.2**	8.2
TOTAL	3,795	$94.2	$100.9

*This forecast does not reflect the latest development p[illegible]
This forecast has not been reviewed with Sales Organizat[illegible]
is not the final forecast and does not represent the Co[illegible]
Sales Goals for 1970.
**1970 prices.

PIPER AIRCRAFT CORPORATION

Preliminary 1970 Income Forecast
($ Million)

	$	$100.9
Sales		
Labor	13.1	
Material	44.8	
Manufacturing Overhead	24.9	
Cost of Sales		82.8
Gross Operating Income		18.1
Selling Expense	6.0	
Administrative Expense	4.1	
Other Expense	0.4	
		10.5
		7.6
Consolidation Effect		0.2
Profit Before Taxes		7.8
Income Taxes		4.1
Net Income		3.7
Earnings Per Share		$2.23

August 25, 1969

1970 SALES AND INCOME OUTLOOK

Comments and Recommendations

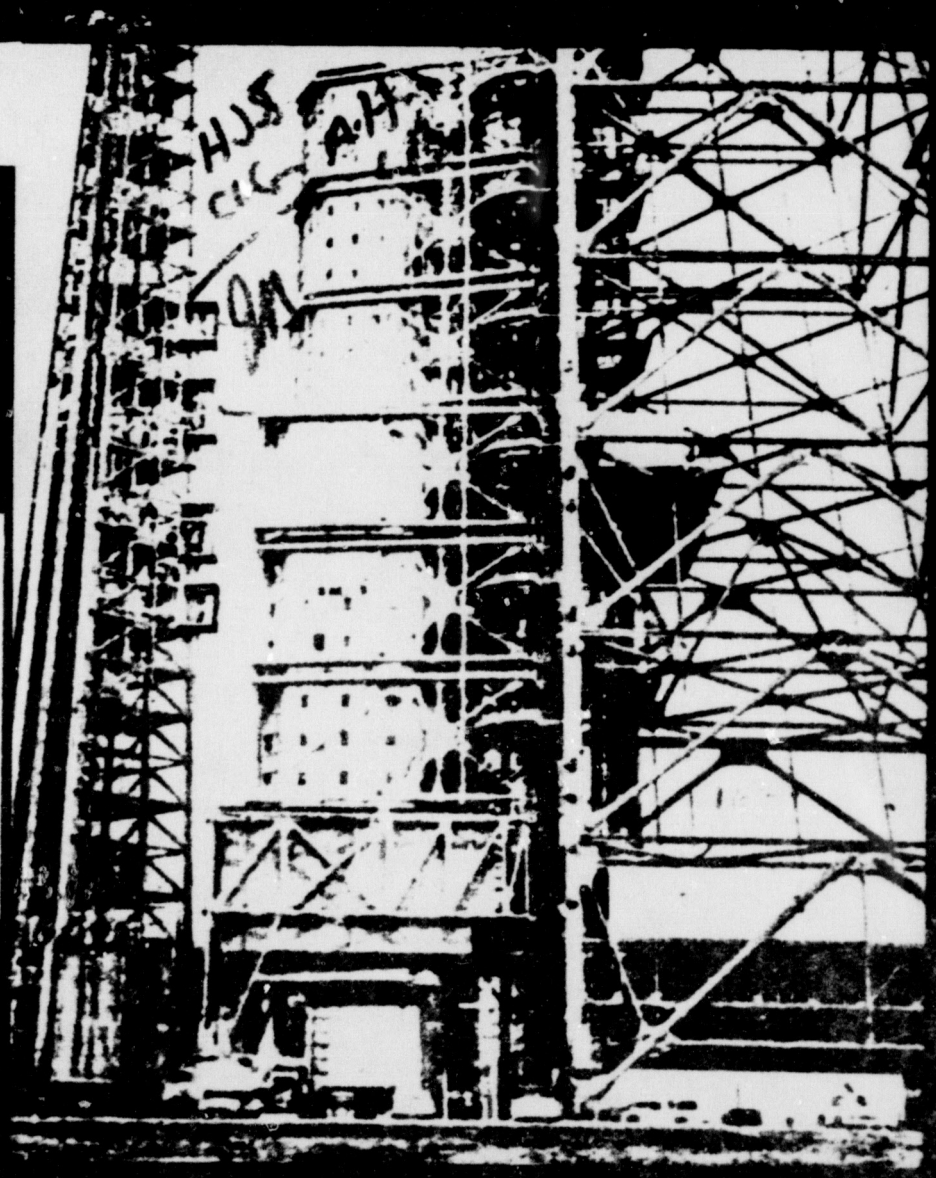
1. The forecasts presented today are preliminary only and must be revised.

2. The forecasts cannot be completed until we get a new product timetable.

3. The views of the Sales Organizations must be reconciled with the Marketing Organization's projections.

4. Bangor Punta may want to review the studies and discussions we have had to date concerning the 1970 profit outlook to see if they can suggest other approaches to improving our prospects.

1086



PLAINTIFF

BANGOR PUNTA

Report for Nine Months Ended June 30, 1969

To Bangor Punta's Shareholders:

Sales and revenues of Bangor Punta Corporation for the nine months ended June 30, 1969 totaled $264,024,000, a 41% increase over sales of $187,552,000 in the first nine months of fiscal 1968. Net income from operations increased $1,073,000, or 19%, and total net income, after the net gain on disposition of assets, rose 24%.

Primary earnings per share amounted to $2.24, of which $1.76 was accounted for by operations and 48¢ by the net gain from disposition of assets. Primary earnings are computed on the combined average of common and $1.25 preference shares, of which 3,296,000 were outstanding during the period. This was an increase of 319,000 shares, or 11%, as compared with the prior year. The increase resulted from our acquisition program, the exercise of stock options and the conversion of some of our $2.00 preference shares into common stock.

Primary earnings on the smaller average number of common and $1.25 preference shares outstanding in the first nine months last year were $2.30, of which $1.94 was from operations and 36¢ from the disposition of assets.

Included in the 1969 results are the sales and profits of Waukesha Motor Company, acquired as a purchase in July 1968; Featherweight Corporation, a manufacturer of snowmobiles in Montreal, Canada, and Connell Associates, consulting engineers in Miami, Florida, acquired as purchases in the second quarter of this year.

By far the most significant event in the third quarter was the proposed affiliation with Piper Aircraft Corporation, reviewed in greater detail on the back page of this report. In brief, the shareholders of Bangor Punta overwhelmingly approved the issuance of securities in exchange for Piper stock at a special meeting in New York on August 7. There were 2,418,065 shares cast in favor of the proposal and 7,778 votes against. Of the 8,010 shareholders voting, 7,720 were in favor of the proposal and 290 in opposition.

Since the end of the [illegible] quarter Bangor Punta has acquired for cash [illegible] onstructions Nautiques, S.A., a major Fren[illegible]facturer. Jeanneau, headquartered in Les Herbier[illegible]ar the west coast of France, makes a complete line of fiberglass motor boats and sail boats ranging in length from 7 feet up to 36 feet.

This association with Jeanneau is a logical extension of Bangor Punta's interests in the leisure market, which is growing in France and other European countries as rapidly as it is in the United States. Jeanneau's superior technical and marketing capabilities will give Bangor Punta access to this rapidly expanding market.

Jeanneau will continue to operate under the management of its founder, Henri Jeanneau, as a subsidiary of Bangor Punta International Capital Company, which is engaged in the development of offshore business opportunities.

Effective September 13, the executive headquarters of Bangor Punta was relocated at One Greenwich Plaza, Greenwich, Connecticut, thereby providing your management with an opportunity to centralize in one office all of the varied corporate activities previously carried on in several different locations.

Two major appointments were made recently. Lewis J. Hecker was named Group Vice President, Leisure Time. Mr. Hecker was formerly a staff attorney in the corporate headquarters working with the Leisure Time group on legal matters and on all acquisitions. DeWitt C. Morrill was named Vice President—Corporate Relations. Mr. Morrill comes to Bangor Punta from Indian Head Inc. where he was Director of Investor Relations.

September 24, 1969

Nicolas M. Salgo
Chairman of the Board

W. Gordon Robertson
Co-Chairman of the Board

David W. Wallace
President

Cover: This 5,000 ton service structure—the biggest wheeled unit in the world—prepares the Saturn moon rocket and its Apollo vehicle for launching. The structure was designed by Connell Associates, Inc., a recent addition to Bangor Punta's Professional Services Group.

For Nine Months Ended June 30	1969	1968
Sales and Other Revenues	$264,024,000	$187,552,000
Earnings:		
Income From Operations	$ 13,204,000	$ 10,640,000
Less Federal Income Taxes	6,591,000	5,100,000
Net Income From Operations	$ 6,613,000	$ 5,540,000
Net Gain on Disposition of Assets	1,599,000	1,078,000
Total Net Income	$ 8,212,000	$ 6,618,000
Average Number of Shares Outstanding (assuming conversion of $1.25 convertible preference stock) (Note 1)	3,296,000	2,977,000
Primary Earnings Per Share (Note 2):		
From Operations	$1.76	$1.94
From Net Gain on Disposition of Assets	.48	.36
Total Primary Earnings Per Share	$2.24	$2.30
Average Number of Shares Outstanding on a Fully Diluted Basis	4,325,000	3,160,000
Total Earnings Per Share on a Fully Diluted Basis	$1.98	$2.20

NOTE 1: Shares outstanding for 1968 include shares issued upon conversion of 5½% convertible subordinated debentures which were called for redemption in September 1968.

NOTE 2: Primary earnings per share have been computed after deducting dividends on the $2 convertible preference stock—series C, which is considered to be a senior security.

For Nine Months Ended June 30, 1969	Sales and Other Revenues		Profit Contribution*	
	Millions	%	Millions	%
Leisure Time	$ 61.0	23	$ 6.9	33
Public Security	18.0	7	5.0	24
Energy Systems	43.6	17	3.3	16
Agribusiness	37.2	14	2.0	10
Fashion Fabrics	55.0	21	2.2	11
Professional Services	9.1	3	1.0	5
Process Engineering	25.1	10	.3	1
Transportation	12.8	5	—	—
Other Revenues	1.2	—	—	—
Total	$264.0	100	$20.7	100

* Profit Contribution, before corporate financial and administrative expenses.

1089

Bangor Punta and Piper Aircraft Corporation—A Brief Summary

Since early May of this year, our stockholders, employees and friends have read and heard a continuing account of the efforts of Bangor Punta and Piper Aircraft Corporation to consolidate. We believe it appropriate at this time to review what has happened and to place this much publicized series of events in perspective.

For several years, Bangor Punta has carefully considered opportunities to participate in the general aviation industry. Piper Aircraft Corporation was one of the many companies we reviewed.

In January, Piper Aircraft became the target of a takeover by another company. In the days and weeks that followed, Piper's management considered many alternatives to this undesired affiliation. One of the earliest alternatives was the possibility of joining with Bangor Punta.

Your management reached an agreement with members of the Piper family in May whereby Bangor Punta would acquire their holdings of slightly more than 500,000 shares in Piper Aircraft. It was also agreed that Bangor Punta would attempt to acquire enough additional stock to gain control of Piper. Shortly thereafter, a registration statement was filed with the S.E.C. covering the proposed exchange offer with the Piper family members as well as an exchange offer to all other shareholders of Piper.

Prior to the exchange offer, Bangor Punta acquired 120,000 shares of Piper Aircraft from certain Piper shareholders, bringing our effective control to approximately 38% of the total stock outstanding.

Following the overwhelming approval voted by our shareholders in August, Bangor Punta securities were issued to acquire an additional 111,628 shares of Piper. Since then Bangor Punta has purchased additional shares of stock for cash and today owns more than 50% of the outstanding common stock of Piper Aircraft Corporation. The widely publicized legal and other activities during this contest have not obscured our aims nor changed our expectations with respect to the general aviation industry or to Piper.

On August 12, Piper Aircraft Corporation elected four officers and directors of Bangor Punta Corporation to its eight-man board of directors: Nicolas M. Salgo, W. Gordon Robertson, David W. Wallace and John E. Flick. William T. Piper, Jr., continues as president and a member of the Piper board. Mr. Salgo was elected chairman of the board and Mr. Flick was elected secretary of Piper.

It is important for our shareholders to remember that throughout this lengthy battle, the managements of Bangor Punta and Piper have been in total agreement regarding the affiliation of the two companies, and have expended every effort to achieve this goal.

The Bangor Punta and Piper managements firmly believe in the favorable prospects for continued long-term growth and prosperity of both companies under the same banner. Bangor Punta will gain Piper Aircraft's prestigious name, its worldwide reputation and extensive distribution system, in addition to its experienced management team. Piper will benefit from its affiliation with a larger and stronger company, and from its association with other leading Bangor Punta companies, including Smith & Wesson, Starcraft, Jensen Marine, Waukesha Motor, Metcalf & Eddy, and Producers Cotton Oil Company.

The acquisition of control of Piper is one of the most significant events in Bangor Punta's nine-year history. We sincerely appreciate the support of our shareholders, as well as the support of Piper's shareholders, management and employees, and we look forward to a promising future.

Plaintiff's 16

1090

SCHEDULE 13D

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Statement Pursuant to Rule 13d-1

BANGOR PUNTA CORPORATION
(Exact name as specified in charter)

DELAWARE (State of incorporation or organization)	51-0041393 (IRS tax number)
405 Park Avenue, New York, New York (Address of principal executive offices)	10022 (Zip Code)

Item 1. *Security and Issuer.*

This statement relates to the Common Stock par value $1.00 per share issued by Piper Aircraft Corporation ("Piper") whose address is Lock Haven, Pennsylvania 17745.

Item 2. *Identity and Background.*

2.1(a), (c) and (d) This statement is being filed by Bangor Punta Corporation ("Bangor"), a Delaware corporation whose principal office is located at 405 Park Avenue, New York, N. Y. 10022. Bangor Punta is a diversified holding company with operating subsidiaries in the following industries: leisure time (pleasure boats, camping trailers, emblematic jewelry) public security; energy systems; process engineering and equipment; fashion fabrics; agribusiness; services; and transportation.

• • •

Item 3. *Source and Amount of Funds or Other Considerations.*

Bangor Punta has agreed, subject to shareholder and regulatory approval, with the persons listed on Exhibit A to make an exchange offer for approximately 501,000 shares of Piper Common Stock on the basis of (i) 1 share of Bangor Punta Common Stock Par Value $1. per share, (ii) Warrants-Series C, expiring March 31, 1981 to purchase 2.2 shares of Bangor Punta Common Stock, and (iii) $15 face amount of a new 5½% 25 year Convertible Subordinated Debenture for each such share of Piper Common Stock. The Common Stock will be from the authorized Common Stock of Bangor Punta, the Warrants will be issued under a Warrant Agreement dated February 28, 1969 between Bangor Punta and Irving Trust Company as Warrant Agent, and the Debentures will be issued under a proposed Debenture Indenture to be dated as of July 1, 1969 between Bangor Punta and Irving Trust Company as

Trustee. See the answer to Item 4 as to a further exchange offer to be made to all other Piper stockholders.

Bangor Punta has acquired, in privately negotiated transactions 23,000 shares of Piper and Bangor Punta International Capital Company (Bangor Punta International) a wholly-owned subsidiary of a subsidiary of Bangor Punta, has acquired in privately negotiated transactions 60,600 shares of Piper and the right to acquire an additional 18,000 shares.

* * *

Item 4. *Purpose of Transaction.*

Bangor Punta desires to acquire control of Piper. Pursuant to the agreement referred to in the answer to Item 3 Bangor Punta has agreed to seek shareholder and regulatory approval *to make a further exchange offer for any and all remaining Piper stock on the basis of cash and/or securities having a value of at least $80. per share. Such value to be determined by The First Boston Corporation.* (Emphasis not in original).

Pursuant to the proposed exchange offers, Bangor Punta hopes to acquire enough additional shares of Piper Common Stock to give it a majority of such shares.

* * *

Item 5. *Interest in Securities of the Issuer.*

5.1 The number of shares of Piper which are beneficially owned by Bangor Punta is 83,600.

5.2 The number of shares of Piper which Bangor Punta has the direct or indirect right to acquire is approximately 519,000.

* * *

Item 6. *Contracts, Arrangements, or Understandings with respect to Securities of the Issuer.*

6.1 See the answers to Items 3 and 4 with respect to Bangor Punta's Agreement to make exchange offers for

Piper shares. Such Agreement provides that Bangor Punta will receive proxies from the Piper shareholders that are parties thereto permitting certain officers of Bangor Punta to vote such shares under certain circumstances (the form of such proxy is attached hereto as Exhibit B). This Agreement also provides that, in the event, Bangor Punta acquires control of Piper and, if the value, as determined by The First Boston Corporation of the Bangor Punta Common Stock, Warrants and Debentures to be offered in exchange for Piper stock to those Piper shareholders that are parties to the Agreement is less than $80 at the time of the commencement of the exchange offer to other Piper shareholders, then Bangor Punta will offer to the Piper shareholders that are parties to the Agreement additional securities and/or cash having a value (in the opinion of The First Boston Corporation) equal to the difference between $80 and the value of such Common Stock, Debentures and Warrants.

* * *

SIGNATURE

I certify that to the best of my knowledge and belief, the information set forth in this Statement is true, complete and correct.

s/JOHN E. FLICK
(JOHN E. FLICK)
General Counsel

Dated:
May 16, 1969

To: C & L From: Leonard Rosen
cc to Arthur Lima

1094

Plaintiff's 168

BANGOR PUNTA CORPORATION
One Greenwich Plaza
Greenwich, Conn. 06830
(203) 661-3900
(212) 792-8002

December 2, 1969

To Our Shareholders:

In order that you may be informed in the most timely manner as to the progress of the company, we are issuing this preliminary report for 1969. The audited results will be published in our Annual Report at a later date.

During 1969, as part of a continuing review and evaluation of the operating organization and of investments in other companies, we re-appraised each of our commitments in relation to our program for long-term growth.

As one result of this study, it was decided in September to dispose of our railroad operations which, with their heavy capital requirements and low rate of return, did not fit our plans. On October 3 we announced that we had sold our 98.7% stock interest in the Bangor and Aroostook Railroad for $5 million in cash, and that part of the proceeds were subject to long-term capital gains taxes of approximately $1 million. It was also announced then that we would take a book loss -- with no tax benefits -- of approximately $13 million.

In carrying out our program, we also disposed of assets, principally marketable securities, on which we recorded a profit of about $8 million. The company has also charged off approximately $8 million of "extraordinary" items, mainly excess costs over book value of certain acquired companies. The total, non-recurring loss for the year, therefore, will be slightly in excess of $14 million. This appraisal of our operations is a continuing program, but we do not expect that any further significant write-offs will be necessary.

Profit contribution by groups to operating income, before corporate revenues and expenses, increased slightly to an estimated $22.3 million from $21.8 million reported in 1968. Increased corporate expenses and sharply higher interest costs caused a reduction in income before taxes, to an estimated $11.5 million from $13.3 million in 1968.

The combination of dividend requirements for a full year on our $2.00 Preference Stock and an 11% increase in average shares outstanding resulted in a decline of about 40% in net earnings per share from operations, to an estimated $1.44 from $2.40 in 1968. After deducting the non-recurring loss, the company will report a net loss for the year estimated at $2.85 per share. Estimated earnings are based on the combined average number of common and $1.25 preference shares outstanding during the year.

BANGOR PUNTA CORPORATION

These unaudited results do not include the operations of Piper Aircraft Corporation, in which Bangor Punta holds more than 50% of the common shares. Piper showed substantial progress in fiscal 1969. Bangor Punta has working control of Piper, with the full cooperation and assistance of the Piper management. The much publicized litigation is not affecting our harmonious relationship in planning an exciting future for Piper and for Bangor Punta.

Operating results were adversely affected by higher wage and raw material costs, by a business slowdown in some areas, and by intensified competitive pressures on profit margins. Notable exceptions were our Professional Services and Energy Systems groups, which showed substantial gains in sales and profits.

In our Leisure Time group, sales of our boat and most of our recreational vehicle operations were well ahead of 1968, but operating profits were about equal. The snowmobile operation, acquired in March, lost approximately $1 million pre-tax. It did not have the sales or profits of its normal selling season, which began after the close of our fiscal year, but did incur the heavy costs of a major expansion program required to meet strong demand for these vehicles.

Results of our Public Security Equipment group were slightly below the prior year primarily because of the added costs associated with a large expansion program at the Smith & Wesson plant in Springfield, Massachusetts, and in some smaller operations in that group.

Sales of our Agribusiness group increased slightly, but earnings declined, principally as a result of lower prices for cotton and certain vegetable crops. Results of our Fashion Fabrics group declined, notwithstanding improvements in some units. Results of the Process Engineering group were down substantially from 1968, largely because of cyclical trends in this segment of the capital goods industry. This group is entering 1970 with higher backlogs than a year ago.

BANGOR PUNTA CORPORATION

We look upon 1969 as a period of necessary re-evaluation and re-alignment of operations following a period of very rapid growth. Bangor Punta is a major factor in several of the most dynamic growth markets in the United States and abroad. We are committed to improving our position in these markets and to creating new opportunities for human and economic growth derived in large part from the talents and marketing capabilities now present within our total organization.

The company has entered the current fiscal year in sound financial condition and is well prepared from an operational standpoint to deal with the highly competitive economic conditions expected in 1970.

Nicolas M. Salgo
Chairman of the Board

W. Gordon Robertson
Co-Chairman of the Board

David W. Wallace
President

1097 Plaintiff's Ex. 169

BANGOR PUNTA CORPORATION

One Greenwich Plaza, Greenwich, Conn. 06830

DAVID W. WALLACE
President

December 4, 1969

C. Leonard Gordon, Esq.
Chris Craft Industries, Inc.
600 Madison Avenue
New York, New York 10022

Dear Mr. Gordon:

This will acknowledge receipt of your letter of November 28, 1969, regarding your desire to have an individual of your choosing examine the PA-30. Bangor Punta, of course, has no objection to your doing this. As you have stated, Mr. Feutz has been engaged by Bangor Punta. But as you also know, this decision was in no way based on any factor other than Bangor Punta's continuing desire to provide the best possible products to the public, whether at Piper Aircraft or any of its other operating companies. The management teams of all Bangor Punta companies aspire to this same goal. Such goals can only be achieved, however, through the responsible actions of everyone concerned.

If you or your representative wish to be briefed by a representative of Piper, I am certain that this can be arranged.

Very truly yours,

David W. Wallace

David W. Wallace

DWW/cjv

1098

Plaintiff's Ex. 410

Chris-Craft
INDUSTRIES, INC

600 MADISON AVENUE / NEW YORK, N. Y. 10022 / (212) 421-0200

C. LEONARD GORDON
VICE PRESIDENT AND
GENERAL COUNSEL

November 19, 1970

Mr. David W. Wallace
President
Bangor Punta Corporation
One Greenwich Plaza
Greenwich, Connecticut

Dear David:

Reference is made to your letter of November 17, 1970 which I received today. Chris-Craft's position with respect to the election of the board of directors of Piper has been consistent. After Bangor Punta has exercised its power to determine the size of the Piper board, Chris-Craft will nominate and elect the maximum number of directors that its stockholdings of Piper enable it to elect under cumulative voting.

At the last board meeting you expressed a desire to have William Piper, Howard Piper and Joseph Mergen on the board of directors. We noted that it was within your power to nominate them and vote your shares for them. We further noted that the Pipers are members of the family which has the largest stockholdings in Bangor Punta. Nevertheless, you proposed that the board consist of nine members and you stated that you intended to nominate Messrs. Salgo, Wallace, Phillips, Robertson and Martin, all officers and directors of Bangor Punta. Accordingly, we told you that we proposed to nominate Messrs. Siegel, Rochlis, Barnett and Gordon.

Chris-Craft
INDUSTRIES, INC.

Your letter of November 17, 1970 now states that the new board will consist of ten members, of which you have designated six. You refer to this as a "compromise", which it is not. Since you own over 50% of the stock of Piper, it is within your power to elect a majority of the directors. You have fixed the board at ten directors. Our stock, under cumulative voting, entitles us to four places.

The question of the remedy for your unlawful acquisition of control of Piper will be resolved in the pending lawsuit. In view of this litigation, your request for agreement on the board of directors is self-serving and superfluous.

Sincerely yours,

C. Leonard Gordon

CLG/cg

Plaintiff's Ex. 171

1100

BANGOR PUNTA CORPORATION
One Greenwich Plaza • Greenwich, Connecticut 06830

(203) 661-3900
(212) 752-6002

DAVID W. WALLACE
President

November 17, 1970

Leonard C. Gordon, Esq.
Chris-Craft Industries, Inc.
600 Madison Avenue- 25th Floor
New York, New York 10022

Dear Leonard:

Since our last meeting of the Board of Directors of Piper Aircraft Corporation, we have become convinced more than ever that it is vital that Messrs. William Piper and Joseph Mergen continue to serve as members of the Board. Moreover, operating management of Piper Aircraft feels that it is imperative that the two senior officers of Piper be represented on the Board of Directors. Failure to have this representation could have serious repercussions both within the Corporation itself and perhaps even more importantly, among the distributors, dealers and customers of Piper Aircraft. Our competition would certainly exploit this failure. As a consequence, to avoid further harm to the Company as a result of the dispute between Bangor Punta and Chris Craft, we decided to accept a compromise and satisfy ourselves with four nominees for a ten man board.

At the next Board of Directors meeting, which has been called for Friday, November 20, 1970, we will propose that the number of Directors to be elected at the forthcoming Annual Meeting of shareholders be fixed at ten. We will also propose that the slate of Directors be composed of Messrs. Piper, Mergen, Siegel, Gordon, Rochlis, Barnett, Salgo, Wallace, Phillips and Robertson.

As you know, the rules of the Philadelphia Exchange require that the Management of the Corporation solicit proxies. If you are agreeable to our suggested slate, the Management will

BANGOR PUNTA CORPORATION

Leonard C. Gordon, Esq.
Chris Craft Industries, Inc.
New York. New York

solicit proxies for that slate. If you are not agreeable to that slate, then the Management will not solicit proxies for persons who are associated with the Chris Craft organization but will name other nominees and will seek to elect six of the ten directors which six shall include Messrs. Piper and Mergen.

We will appreciate having your views on this matter at the next Directors meeting.

Very truly yours,

David W. Wallace

DWW:rr

Piper Aircraft Corporation

Lock Haven, Pennsylvania, U.S.A.

1102

Plaintiff's Ex. 172

CHAIRMAN OF THE BOARD

August 18, 1971

Mr. David W. Wallace
Bangor Punta Corporation
One Greenwich Plaza
Greenwich, Conn. 06830

Dear Dave:

I regret that Joe Mergen will not be attending the Board meeting on Friday as he feels as I do that to terminate the salaried retirement plan at this time is a very big mistake, and his arguments carry a lot more weight with the Board members than mine, which are obviously considered prejudiced. However, I would be very remiss if I didn't bring to your attention once more the extreme importance of maintaining our salaried employees' pension program. I cannot think of one thing that will more seriously jeopardize Piper's future performance, particularly the near future, than to eliminate this portion of its retirement income plans.

Since becoming associated with Bangor Punta, I have tried to assure the Piper organization that it would continue to operate much along the same lines as have proven successful in the past, and have done my best to convince the more essential employees that their positions and areas of responsibilities would not be materially altered. There have been changes, and coupled with poor business, the morale of the organization has been hurt. If we are now going to eliminate the retirement plan for that group on which we must rely if the company is to run properly, the result can be disastrous. The retirement plan has been in effect for 26 years. The employees consider it an integral part of their income and salary program, and the company has an implied responsibility to continue it. Most of the older employees have planned their entire insurance program around the retirement plan, and quite a few of these employees do not have long to go before retiring. I do not think that anyone can state positively what the tax treatment would be in case of termination. It is entirely possible that capital gains will not be allowed since the distribution was not made because of an employee's death or other separation from employment. Each employee would receive his share of the fund in a lump sum and it would be necessary to obtain a ruling from the IRS as to how the income would be taxed.

ONLY COPY AVAILABLE

Mr. David W. Wallace August 18, 1971

With respect to the employees themselves, I think there is one fact that we should all seriously consider and that has to do with a white collar union. The labor organization which represents the hourly paid employees, in a preliminary meeting held a few days ago, submitted its proposal for changes to the pension plan covering the bargaining unit employees. Among these is an increase in benefits from $3.00 per month for each year of service to $8.00. I think it is logical to assume that we will be able to settle for somewhere between $5.00 and $6.00. Under any circumstances, we will come close to doubling the pension to hourly employees, premiums for which are totally paid by the company. If, at the same time, we eliminate entirely the pension to salaried workers, which is partially funded by contributions from the employees, we are asking for trouble. As any labor attorney will tell you, a management employees union is far worse than a shop union. We have been successful in keeping one out of our offices, but this might just be sufficient reason to bring renewed efforts for a white collar union at Piper, which should be avoided if at all possible. The odds are that an ensuing pension would be one of the first aims of an office union and would cost the company more than its present program, particularly since having been terminated we would now have to go back and pick up the costs for putting these same employees into a retirement plan of some type, but at a much older age.

The other factor is one with which Bangor should be very much concerned. The Connecticut General has stated that to the best of its knowledge, no parent nor controlling company has ever cancelled a long established pension or retirement program with a subsidiary. The resulting adverse publicity would come at a time when the need for a favorable public image has never been more pressing.

At the committee meeting held last winter, a request was made for additional information which was since supplied, but at no time did Leonard Gordon indicate that he was not in favor of continuing the program. As of this date, approximately 60% of the employees have already paid their contributions for 1971 and applications for the newly eligible employees have been filled out, signed and forwarded to the insurance company. The effective date of the policy is September 15th.

My personal recommendation is that we leave the program alone since it compares very favorably to our competition, has been in existence for a long period

Mr. David W. Wallace August 18, 1971

of time, is a fair, sensible approach to a retirement plan, and is held in very high regard by the employees.

Sincerely yours,

W. T. Piper, Jr.

WTPjr:go

1105

BANGOR PUNTA CORPORATION
One Greenwich Plaza Greenwich, Connecticut 06830

(203) 661-3900
(212) 792-9002

DAVID W. WALLACE
President and
Chief Executive Officer

August 20, 1971

Mr. William T. Piper, Jr.
Piper Aircraft Corporation
820 East Bald Eagle Street
Lock Haven, Pennsylvania 17745

Dear Bill:

Thank you for your letter of August 18, 1971, regarding Piper's pension program.

I intend to distribute it to the Board of Directors at the regular meeting today, and have asked John Martin to incorporate your letter with the minutes of the meeting.

Sincerely,

DWW/ddd

1106 Plaintiff's 173

BANGOR PUNTA CORPORATION

NICOLAS M. SALGO
CHAIRMAN OF THE BOARD

405 PARK AVENUE
NEW YORK, N. Y. 10022
758 6900

February 20, 1970

C. Leonard Gordon, Esq.
Chris Craft Industries, Inc.
600 Madison Avenue
New York, N. Y. 10022

Dear Leonard:

I appreciate your February 11th letter. I agree with you that leadership is the most important element in any program. However, since we have taken an active part in the Piper management, we have made good progress in this direction.

All through the history of Piper, safety played a leading part in their activities, as it should in this type of operation. Safety has to be in the mind of every person, not only on the drawing boards but through every phase of manufacturing, testing, etc. as well. Even the most inexperienced spectator will not fail to perceive this fact in the Piper plant.

Since most of us on the Board are inexperienced in the aviation industry, we felt the necessity of appointing one young but responsible officer in Piper to be the focal point of all safety oriented activities, planning and reporting to the Board. Mr. Wallace picked for this job Mr. Eugene Stickley, who also has the job of Corporate Planning.

With respect to the question of the Board vacancy, we desire, for the time being, to maintan the Board's

BANGOR PUNTA CORPORATION

equilibrium and elect a person closely related to Bangor Punta. We have no objection to considering as a common appointee a possible additional Board membership should we find such a highly knowledgeable, reliable person available to make contributions.

Very truly yours,

Nicolas M. Salgo

BPC/NMS/ab

Plaintiff's 174 Dep.

1108

November 25, 1969

Mr. Al Kornfeld
Mr. Jerry Loyd
Mr. John Prendergast

Donald J. Fennelly

PIPER AIRCRAFT CORPORATION

Booz Allen and Hamilton have been retained by the Piper Board to make a "marketing survey" for Piper. I do not yet know the scope of the project or the definition of the problem. Gordon Jones and Hadley Ford of the Booz New York Office were in Greenwich yesterday when the decision to go ahead with the survey was finalized.

Bangor Punta has retained an aircraft engineering consultant to make an independent survey of the Twin Comanche flight and safety characteristics. His report will be taken into consideration in the final decision of the Piper Board on the adequacy of warranty and liability coverage as it relates to the Company's financial position and results of operations for the 1969 fiscal year. Approval of the tentative financial statements obviously awaits that survey and that decision.

Plaintiff's Ex. 175

Total Amount Tendered	% Owned by CCI	% Owned by BPC	% Shares Remaining	Additional % Needed by BPC	Additional % Needed by BPC of Remaining Shares
95%	(41	31	23	19	19/23 = 82.6%
	(42	37	16	13	13/16 = 81.3%
96%	(41	31	24	19	19/24 = 79.2%
	(42	37	17	13	13/17 = 76.5%
97%	(41	31	25	19	19/25 = 76%
	(42	37	18	13	13/18 = 72.2%
98%	(41	31	26	19	19/26 = 73.1%
	(42	37	19	13	13/19 = 68.4%
99%	(41	31	27	19	19/27 = 70.3%
	(42	37	20	13	13/20 = 65%
100%	(41	31	28	19	19/28 = 67.9%
	(42	37	21	13	13/21 = 61.9%

1110 Plaintiff's Exhibit 176

1,644,890 Shares outstanding Total —

822,445 50 %

697,475 = 42 %

125,000 = 125,000 shares to be purchased to give 50%

125,000 Shares @ $80 = $10,000,000 = $66 42

125,000 Shares @ $90 = $11,250,000 $67 24

125,000 Shares @ $100 $12,500,000 69 46

Cash $14,038,000 for 697,475 Shares = $64 per Share

Thus in order for CCI to gain control from 42% to 50% CCI only had to increase its purchase price per Share $1 52 for [illegible] to induce to offer to gain the additional 125,000 Shares for Control

Plaintiff's Ex. 177 7

CHRIS-CRAFT INDUSTRIES, INC.
COMPARATIVE CONSOLIDATED BALANCE SHEETS
April 30, 1969 vs August 31, 1968
($000)

ASSETS

	April 30, 1969	August 31, 1968
CURRENT ASSETS:		
Cash (including time deposits)	$ 11,162	$ 12,208
Marketable securities	3,944	2,537
Accounts receivable	11,076	7,504
Inventories	22,384	19,772
Film contract rights	3,776	3,046
Prepaid expenses, etc.	1,577	1,230
Total Current Assets	$ 53,919	$ 46,297
INVESTMENTS - At cost:		
Piper Aircraft Corporation	$ 35,355	$ -
Montrose Chemical Corporation of California	9,603	9,603
Hemisphere Hotels Corporation	1,400	-
	$ 46,358	$ 9,603
NON CURRENT PORTION OF TELEVISION FILM CONTRACT RIGHTS	$ 6,016	$ 6,213
PROPERTY, PLANT AND EQUIPMENT		
At cost	$ 35,484	$ 34,380
Less - Accumulated depreciation	16,067	15,076
	$ 19,417	$ 19,304
INTANGIBLE ASSETS	$ 27,535	$ 27,572
OTHER ASSETS:		
Receivables due after one year	$ 214	$ 396
Deferred debt expense	607	238
Miscellaneous	1,129	483
	$ 1,950	$ 1,117
	$ 155,195	$110,106

LIABILITIES AND STOCKHOLDERS' INVESTMENT

	April 30, 1969	August 31, 1968
CURRENT LIABILITIES:		
Bank loan	$ 15,000	$ -
Current portion of long-term debt	1,810	1,386
Accounts payable	6,044	5,381
Dividends payable	-	510
Accrued expenses	4,302	2,934
Federal income taxes	5,054	3,470
Film contracts payable within one year	3,519	2,995
Total Current Liabilities	$ 35,729	$ 16,676
LONG-TERM DEBT:		
5-3/4% promissory notes	$ 16,000	$ 17,900
7% registered subordinated debentures	3,780	3,780
6% convertible subordinated debentures	25,718	-
Other notes payable	585	445
	$ 46,083	$ 22,125
FILM CONTRACTS PAYABLE AFTER ONE YEAR	$ 4,324	$ 3,695
DEFERRED FEDERAL INCOME TAXES	$ 977	$ 996
STOCKHOLDERS' INVESTMENT		
Prior preferred stock (198,984 and 251,946 shares outstanding)	$ 4,278	$ 5,417
$1.40 convertible preferred stock (587,479 and 859,197 shares outstanding)	10,281	15,036
Common Stock (3,307,628 and 2,711,714 shares outstanding)	2,445	2,147
Capital surplus	29,291	23,689
Retained earnings	21,787	20,325
	$ 68,082	$ 66,614
	$ 155,195	$110,106

1111

CHRIS-CRAFT INDUSTRIES, INC.
COMPARATIVE CONSOLIDATED BALANCE SHEETS
May 31, 1969 vs August 31, 1968
($000)

ASSETS

	May 31, 1969	August 31, 1968
CURRENT ASSETS:		
Cash (including time deposits)	$ 9,611	$ 12,208
Marketable securities	7,319	2,537
Accounts receivable	12,434	7,504
Inventories	20,782	19,772
Film contract rights	3,776	3,046
Prepaid expenses, etc.	1,537	1,230
Total Current Assets	$ 55,459	$ 46,297
INVESTMENTS - At cost:		
Piper Aircraft Corporation	$ 35,403	$ -
Montrose Chemical Corporation of California	9,603	9,603
Hemisphere Hotels Corporation	1,400	-
	$ 46,406	$ 9,603
NON CURRENT PORTION OF TELEVISION FILM CONTRACT RIGHTS	$ 6,289	$ 6,213
PROPERTY, PLANT AND EQUIPMENT		
At cost	$ 35,610	$ 34,380
Less - Accumulated depreciation	16,226	15,076
	$ 19,384	$ 19,304
INTANGIBLE ASSETS	$ 27,530	$ 27,572
OTHER ASSETS:		
Receivables due after one year	$ 214	$ 396
Deferred debt expense	602	238
Miscellaneous	1,130	483
	$ 1,946	$ 1,117
	$157,014	$110,106

LIABILITIES AND STOCKHOLDERS' INVESTMENT

	May 31, 1969	August 31, 1968
CURRENT LIABILITIES:		
Bank loan	$ 15,000	$ -
Current portion of long-term debt	1,783	1,386
Accounts payable	6,092	5,381
Dividends payable	45	510
Accrued expenses	4,368	2,934
Federal income taxes	5,537	3,470
Film contracts payable within one year	3,471	2,995
Total Current Liabilities	$ 36,296	$ 16,676
LONG-TERM DEBT:		
5-3/4% promissory notes	$ 16,000	$ 17,900
7% registered subordinated debentures	3,780	3,780
6% convertible subordinated debentures	25,718	-
Other notes payable	565	445
	$ 46,063	$ 22,125
FILM CONTRACTS PAYABLE AFTER ONE YEAR	$ 4,750	$ 3,695
DEFERRED FEDERAL INCOME TAXES	$ 975	$ 996
STOCKHOLDERS' INVESTMENT		
Prior preferred stock (197,529 and 251,946 shares outstanding)	$ 4,247	$ 5,417
$1.40 convertible preferred stock (583,566 and 859,197 shares outstanding)	10,213	15,036
Common Stock (3,316,938 and 2,711,714 shares outstanding)	2,449	2,147
Capital surplus	29,386	23,689
Retained earnings	22,635	20,325
	$ 68,930	$ 66,614
	$157,014	$110,106

CHRIS-CRAFT INDUSTRIES, INC.
COMPARATIVE CONSOLIDATED BALANCE SHEETS
June 30, 1969 vs August 31, 1968
($000)

ASSETS

	June 30, 1969	August 31, 1968
CURRENT ASSETS:		
Cash (including time deposits)	$ 11,484	$ 12,208
Marketable securities	5,714	2,537
Accounts receivable	11,985	7,504
Inventories	20,045	19,772
Film contract rights	3,776	3,046
Prepaid expenses, etc.	1,740	1,230
Total Current Assets	$ 54,744	$ 46,297
INVESTMENTS - At cost:		
Piper Aircraft Corporation	$ 35,426	$ -
Montrose Chemical Corporation of California	9,603	9,603
Hemisphere Hotels Corporation	1,400	-
	$ 46,429	$ 9,603
NON CURRENT PORTION OF TELEVISION FILM CONTRACT RIGHTS	$ 5,957	$ 6,213
PROPERTY, PLANT AND EQUIPMENT		
At cost	$ 35,560	$ 34,380
Less - Accumulated depreciation	16,298	15,076
	$ 19,262	$ 19,304
INTANGIBLE ASSETS	$ 27,524	$ 27,572
OTHER ASSETS:		
Receivable due after one year	$ 214	$ 396
Deferred debt expense	598	238
Miscellaneous	1,127	483
	$ 1,939	$ 1,117
	$155,855	$110,106

LIABILITIES AND STOCKHOLDERS' INVESTMENT

	June 30, 1969	August 31, 1968
CURRENT LIABILITIES:		
Bank loan	$ 15,000	$ -
Current portion of long-term debt	1,890	1,386
Accounts payable	4,503	5,381
Dividends payable	-	510
Accrued expenses	3,757	2,934
Federal income taxes	5,808	3,470
Film contracts payable within one year	3,429	2,995
Total Current Liabilities	$ 34,387	$ 16,676
LONG-TERM DEBT:		
5-3/4% promissory notes	$ 16,000	$ 17,900
7% registered subordinated debentures	3,780	3,780
6% convertible subordinated debentures	25,718	-
Other notes payable	551	445
	$ 46,049	$ 22,125
FILM CONTRACTS PAYABLE AFTER ONE YEAR	$ 4,529	$ 3,695
DEFERRED FEDERAL INCOME TAXES	$ 972	$ 996
STOCKHOLDERS' INVESTMENT:		
Prior preferred stock (197,269 and 251,046 shares outstanding)	$ 4,241	$ 5,417
$1.40 convertible preferred stock (574,017 and 859,197 shares outstanding)	10,046	15,036
Common Stock (3,336,332 and 2,711,714 shares outstanding)	2,459	2,147
Capital surplus	29,550	23,689
Retained earnings	23,622	20,325
	$ 69,918	$ 66,614
	$155,855	$110,106

CHRIS-CRAFT INDUSTRIES, INC.
COMPARATIVE CONSOLIDATED BALANCE SHEETS
July 31, 1969 vs August 31, 1968
($000)

ASSETS

	July 31, 1969	August 31, 1968
CURRENT ASSETS:		
Cash (including time deposits)	$ 12,042	$ 12,208
Marketable securities	7,455	2,537
Accounts receivable	10,306	7,504
Inventories	20,772	19,772
Film contract rights	3,950	3,046
Prepaid expenses, etc.	1,783	1,230
Total Current Assets	$ 56,308	$ 46,297
INVESTMENTS - At cost:		
Piper Aircraft Corporation	$ 35,692	$ -
Montrose Chemical Corporation of California	9,603	9,603
	$ 45,295	$ 9,603
NON CURRENT PORTION OF TELEVISION FILM CONTRACT RIGHTS	$ 5,441	$ 6,213
PROPERTY, PLANT AND EQUIPMENT		
At Cost	$ 35,834	$ 34,380
Less - Accumulated depreciation	16,458	15,076
	$ 19,376	$ 19,304
INTANGIBLE ASSETS	$ 27,519	$ 27,572
OTHER ASSETS:		
Receivables due after one year	$ 214	$ 396
Deferred debt expense	594	238
Miscellaneous	1,124	483
	$ 1,932	$ 1,117
	$155,871	$ 110,106

LIABILITIES AND STOCKHOLDERS' INVESTMENT

	July 31, 1969	August 31, 1968
CURRENT LIABILITIES:		
Bank loan	$ 15,000	$ -
Current portion of long-term debt	1,708	1,386
Accounts payable	4,466	5,381
Dividends payable	-	510
Accrued expenses	4,241	2,934
Federal income taxes	5,893	3,470
Film contracts payable within one year	3,480	2,995
Total Current Liabilities	$ 34,788	$ 16,676
LONG-TERM DEBT:		
5-3/4% promissory notes	$ 16,000	$ 17,900
7% registered subordinated debentures	3,780	3,780
6% convertible subordinated debentures	25,718	-
Other notes payable	536	445
	$ 46,034	$ 22,125
FILM CONTRACTS PAYABLE AFTER ONE YEAR	$ 4,205	$ 3,695
DEFERRED FEDERAL INCOME TAXES	$ 970	$ 996
STOCKHOLDERS' INVESTMENT:		
Prior preferred stock (197,119 and 251,946 shares outstanding)	$ 4,238	$ 5,417
$1.40 convertible preferred stock (568,541 and 859,197 shares outstanding)	9,949	15,036
Common Stock (3,347,434 and 2,711,714 shares outstanding)	2,465	2,147
Capital surplus	29,644	23,689
Retained earnings	23,578	20,325
	$ 69,874	$ 66,614
	$155,871	$110,106

1114

LB.
Plaintiff's 178

1115

December 29, 1969

Mr. William T. Piper, Jr.
President
Piper Aircraft Corporation
Lock Haven, Pennsylvania 17745

Dear Mr. Piper:

Reference is made to your letter of December 12, 1969. Arthur Andersen & Co. was engaged by the independent Directors of Piper Aircraft to assist us in our understanding of the Piper financials. As Directors, we are entitled to receive the information requested and we have the right to use experts of our choosing to assist us in our understanding of it. I have discussed this with the Bangor Punta representatives on the Piper Board, and they have informed me that they did not know that information was being withheld, and they favor our getting all information forthwith.

Accordingly, I renew my requests of November 26 and December 12, 1969 by letters to Charles Pool and request prompt response.

You state in your letter of December 12, 1969 that, "Arthur Young & Company has concluded its independent examination of Piper's consolidated financial statement for the fiscal year ended September 30, 1969, and is prepared to render its report thereon as soon as the Board of Directors resolves the

remaining open matters before it." You further state that they have satisfied themselves that the financial statements "present fairly the financial position and results of operations." I have since been informed that, contrary to your information, this is not the case, but that Arthur Young & Company now intends to qualify its certificate. The urgent need for our review is underscored by this development.

Very truly yours,

C. Leonard Gordon

CLG/rdl
cc: Arthur Liman
Joseph Ackell
James J. Rochlis
Lawrence Barnett
Robert S. Roussey

Plaintiff's Ex. 179

1117

C. LEONARD GORDON
600 MADISON AVENUE
NEW YORK, NEW YORK 10022

March 9, 1970

Mr. Nicholas Salgo
Chairman of the Board
Bangor Punta Corporation
405 Park Avenue
New York, New York

Dear Nick:

Although the Board at the November 24 meeting resolved to furnish monthly financial statements to the directors we have not yet received any for December or subsequently.

I am sure that you have been furnished these, and Messrs. Rochlis, Barnett and I would like to be furnished with them forthwith.

Sincerely yours,

Leonard

C. Leonard Gordon

CLG/cg

Plaintiff's Ex. 150

1118

C. LEONARD GORDON
600 MADISON AVENUE
NEW YORK, NEW YORK 10022

August 11, 1970

Mr. Charles W. Pool
Piper Aircraft Corporation
820 East Bald Eagle Street
Lock Haven, Pennsylvania

Dear Charles:

During the discussion at the last meeting of the Board of Directors of the proposed Avco financing, and sale to distributors not for cash but against paper, William Piper, Jr. stated that Piper had regularly shipped substantial quantities of planes to domestic distributors or dealers on a consignment basis or against chattel mortgages. This is the first time that this fact was brought to my attention.

I would appreciate being advised before the next Board meeting of the following facts:

1. What was the total dollar amount of domestic sales to distributors or dealers on a consignment basis, and/or against chattel mortgages (or other such financing arrangements) participated in by Piper for each of the Piper fiscal years 1967, 1968 and 1969, and

2. The names and locations of the distributors or dealers involved, and the amount of such sales to them, and

3. The terms, including interest rate, of any such financing arrangements, and

4. The collection experience in connection with such financings, including extensions of time, write-offs, foreclosures, etc.

Very truly yours,

C. Leonard Gordon

cc: Mr. David Wallace

Valuation

	Shares	$ Cost
B.P. Cost	832,706 Shs	67,333,002
CC-Cost	697,495	44,627,267
Total	1,530,201	$117,960,269

1,641,890 — 1,530,201 = 111,689

832,706 — 67,332,002

809,184 x 7.50 = 6,888,m

74,220,m = Per Sh = $45.20

DEFENDANTS
EXHIBIT
MAR 18 1971
U. S. Dist. Court
S. D. of N. Y.

AD

 Defendants' Exhibit AQ

SUMMARY

APPENDIX A

Set forth below is the computation underlying $55 as the approximate price at which shares of Piper common stock would have traded on May 7, 1969 in the absence of prior purchases made with a view to acquiring a majority interest.

* * *

For each week of the 13 week period ending December 25, 1968 the price earnings ratio of Piper (based on the most recent twelve months earnings) was divided by the price earnings ratio of the Standard & Poor's 425 Industrial Average. The average Piper ÷ S&P quotient for this period was 1.25. A similar comparison for this period between the price earnings ratios of Piper and Cessna Aircraft Corporation produces an average Piper ÷ Cessna quotient for the period of 1.57. These quotients were then utilized to determine a price for Piper on May 7, 1969 as follows:

Piper - S&P Quotient		May 7 Price Earnings Ratio of 425 Industrials		May 7 Adjusted Piper Price Earnings Ratio
1.25	X	17.83	=	22.2875

Piper - Cessna Quotient		May 7 Price Earnings Ratio of Cessna		
1.57	X	15.57	=	24.4449

The average of the two May 7 adjusted Piper Price Earnings Ratios - one determined in relation to the Standard & Poor's 425 Industrial Average price earnings ratio; the other in relation to the Cessna price earnings ratio - is 23.3662. This May 7 adjusted Piper ratio multiplied by $2.36 (latest 12 months earnings per share then reported by Piper) equals $55.14 or approximately $55.

The data used in the above computations is presented in Exhibit 1.

APPENDIX B

Set forth below are our computations which result in per share values of Piper common stock as follows:

Date	Value Per Share
September 5, 1969	$42.10
March 9, 1971	$51.92

These values were derived from the following forecast figures of Piper Aircraft Corporation for the year ending September 30, 1973:

Net Income	$9,876,000
Earnings Per Share	$6.00

The forecast is set forth in greater detail in Exhibit 2. We have reached the values shown above from the forecast in the manner set forth below.

Piper's forecast 1973 earnings per share of $6.00 were multiplied by an historically selected price earnings ratio of 13.26 in determining the values above. Selection of this price earnings ratio reflects our view that the most probable average price earnings ratio that would be applied to Piper's 1973 per share earnings is 13.26, derived as follows:

a) A period during the last ten years was selected during which Piper's price earnings ratio was substantially free from the upward distortions normally present during periods of temporary earnings declines. This period occurred during the four years beginning in 1963 and ending in 1966 (See graph in Exhibit 3). Piper's quarterly price earnings ratio during this period was divided by the concurrent price earnings ratio for the Standard & Poor's 425 Industrial Stock Index to obtain a normal relationship between the two. During this period, Piper's price earning ratio averaged 74.2% of the Standard & Poor's 425 Industrial Stock Index ratio. (See table in Exhibit 3).

b) An average price earnings ratio for the Standard & Poor's 425 Industrial Stock Index was calculated for the period beginning with 1960 and ending June 30, 1970, amounting to 17.87 (See Exhibit 4).

c) A most probable anticipated price earnings ratio for Piper was calculated by multiplying the average Standard & Poor's 425 Industrial Stock Index price earnings ratio of 17.87 by .742 (72.4%), the normal relationship of Piper's price earnings ratio to that of such Index, resulting in a ratio of 13.26.

The application of the foregoing price earning ratio to Piper's forecast 1973 per share earnings produces a price of $79.56 per share which has been adjusted to $75.37 to reflect an assumed 5% underwriting discount and additional expenses of $150,000 which might occur if the investment were then liquidated.

The adjusted 1973 price of $75.37 was then discounted back to March 9, 1971 and to September 5, 1969 to reach the value of Piper shares on those respective dates. This discounting was done from November, 1973 (the date by which Piper's fiscal 1973 earnings would have been known) at an annual rate of 15%, representing an annual percentage return on investment with which the reasonable investor would be satisfied. This discounting produces a value per Piper share of approximately $42.10 at September 5, 1969 and a value of approximately $51.92 on March 9, 1971. By way of illustration, the holder of a share of Piper with a value on March 9, 1971 of $51.92 who sells in November, 1973 for $75.37 holds an investment which will appreciate at about 15% per year between those dates.

INDEX TO EXHIBITS

1. Price earnings ratios, beginning in 1960, of Standard & Poor's Stock Price Index - 425 Industrials, Piper Aircraft Corporation ("Piper") and Cessna Aircraft Corporation and ratio relationships.

2. Piper Aircraft Corporation - Historical and projected income 1966-1973.

3. Piper Aircraft Corporation - graph relationship of price, earnings and price earnings ratios to prices of Standard & Poor's 425 Industrial Stock Average beginning 1960 with table of price earnings ratios by calendar quarter 1963-1966.

4. Standard & Poor's 425 Industrial Stock Average beginning 1960, graph of prices, earnings and price earnings ratios with table of price earnings ratios by calendar quarter.

5. Cessna Aircraft Corporation - graph relationship of price, earnings and price earnings ratios to prices of Standard & Poor's 425 Industrial Stock Average beginning 1960.

6. Piper Aircraft Corporation: graph of 1960-1970 total general aviation plane sales for industry and Piper in thousands of dollars; accompanying graphs for single engine and twins.

7. Piper Aircraft Company: 1960-1970 share of industry market (units), graph and supporting table.

8. Piper Aircraft Company: 1960-1970 share of industry market (dollars), graph and supporting table.

9. Piper Aircraft Company - Product sales related to estimated total markets (dollars).

10. Comparative base airplane price by manufacturer 1969-1971.

11. Relationship between price and performance of single engine aircraft, Appendix B to Booz-Allen & Hamilton Report to Piper Aircraft Corporation, dated June 1970.

12. Relationship between price and performance of twin engine aircraft, Appendix C to Booz-Allen & Hamilton Report to Piper Aircraft Corporation, dated June 1970.

13. Comparative new product introductions of ma[illegible]anufacturers, Exhibit XXII to Booz-Allen & Hamilton Report to Piper Aircr[illegible]Corporation, dated June 1970.

14. Graph showing comparative forecasts of General Aviation Unit Sales, 1970-1975 with supporting table.

15. "An Economic Recovery Should Spark an Earnings Rebound for Cessna Aircraft", Drexel Firestone analysis of a recommendation, dated February 12, 1971.

16. The general aviation aircraft market by type of aircraft, 1955-1975, Exhibit XIV to Booz-Allen & Hamilton Report to Piper Aircraft Corporation, dated June 1970.

17. Projected growth of the total single engine piston market 1970-1975, Exhibit XV to Booz-Allen & Hamilton Report to Piper Aircraft Corporation, dated June 1970.

18. Projected growth of the total twin engine piston market 1970-1975, Exhibit XVII to Booz-Allen & Hamilton Report to Piper Aircraft Corporation, dated June 1970.

19. Projected growth of the turbine aircraft market, Exhibit XIX to Booz-Allen & Hamilton Report to Piper Aircraft Corporation, dated June 1970.

20. Forecast of Piper Unit Sales and Dollar Sales (by aircraft) for three fiscal years ending September 30, 1973, prepared by Piper February 1971.

21. Piper Aircraft Company - Product sales related to estimated total markets (units).

22. Piper Aircraft Corporation - Projected contribution (sales less direct costs) by product line 1971-1973.

23. Piper Aircraft Corporation: Funds flow 1971-1973 in thousands of dollars.

24. Projected 1975 Piper sales of basic aircraft, Exhibit XXIII to Booz-Allen & Hamilton Report to Piper Aircraft Corporation, dated June 1970.

25. Piper Aircraft Corporation - Partial Organization Chart September 4, 1969.

26. Piper Aircraft Corporation - Partial Organization Chart - March 1971.

27. Piper Aircraft Corporation - Operating results, per share data and balance sheet data 1961-1970.

28. Standard Statistics Company - Piper financial summary 1959-1968.

29. Piper Aircraft Corporation - statistical comparison with Beech and Cessna.

30. Standard Statistics Company - Cessna Aircraft Company financial summary 1960-1969.

31. Standard Statistics Company - Beech Aircraft Corporation financial summary 1960-1969.

32. Letter dated March 8, 1971 from Price Waterhouse & Co. to Drexel Firestone, Incorporated including pro forma balance sheets and income statements combining Chris Craft Industries, Inc. (Chris-Craft) with Piper on bases of cost and equity consolidation (assuming 697,495 Piper shares owned by Chris-Craft) and full consolidation (assuming 856,206 Piper shares owned by Chris-Craft).

PRICE EARNINGS RELATIONSHIPS

		S&P INDUSTRIALS			PIPER AIRCRAFT		CESSNA AIRCRAFT			Piper Ratio ÷ S&P Ratio	Piper Ratio ÷ Cessna Ratio
		P/E Ratio	Index	% Change Previous Ratio	P/E Ratio	% Change Previous Ratio	P/E Ratio	Index	% Change Previous Ratio		
Quarterly - 1960 -	Mar.	16.71	94		18.40		14.62	94		1.10	1.26
	June	17.86	101	+ 7.1	18.47	+ 0.4	13.95	90	- 4.6	1.03	1.32
	Sept.	16.75	94	- 6.8	18.72	+ 1.4	13.39	86	- 4.0	1.12	1.40
	Dec.	18.14	102	+ 8.4	17.55	- 6.2	16.07	103	+20.0	0.97	1.09
1961 -	Mar.	21.36	120	+17.8	24.49	+39.5	18.75	120	+16.7	1.15	1.31
	June	21.51	121	+ 0.7	34.09	+39.2	22.99	148	+22.6	1.58	1.48
	Sept.	21.88	123	+ 1.7	58.49	+71.6	22.78	146	- 0.9	2.67	2.57
	Dec.	22.47	126	+ 2.7	62.79	+ 7.4	22.67	146	- 0.5	2.79	2.77
1962 -	Mar.	20.66	116	- 8.1	43.10	-31.4	19.16	123	-15.5	2.09	2.25
	June	15.82	88	-24.4	16.67	-61.3	11.73	75	-38.8	1.07	1.42
	Sept.	15.76	88	+ 0.9	14.55	-12.7	12.59	81	+ 7.3	0.92	1.16
	Dec.	17.10	96	+ 8.5	16.67	+14.6	14.48	93	+15.0	0.97	1.15
1963 -	Mar.	17.83	100	+ 4.3	15.26	- 8.5	16.15	104	+11.5	0.86	0.94
	June	18.05	101	+ 1.2	14.50	- 5.0	15.21	98	- 5.8	0.80	0.95
	Sept.	19.05	107	+ 5.5	12.27	-15.4	13.79	89	- 9.3	0.64	0.89
	Dec.	18.69	105	- 1.9	13.23	+ 7.8	14.20	91	+ 3.0	0.71	0.93
1964 -	Mar.	18.89	106	+ 1.1	15.28	+15.5	14.98	96	+ 5.5	0.81	1.02
	June	18.88	106	- 0.1	12.64	-17.3	12.38	80	-17.4	0.67	1.02
	Sept.	18.76	105	- 0.6	14.44	+14.2	12.72	82	+ 2.7	0.77	1.14
	Dec.	18.55	104	- 1.1	12.67	-12.3	13.06	84	+ 2.7	0.68	0.97
1965 -	Mar.	18.31	103	- 1.3	12.50	- 1.4	12.17	78	- 6.8	0.68	1.03
	June	19.21	108	+ 4.9	11.07	-11.4	10.66	68	-12.4	0.58	1.04
	Sept.	18.07	101	- 5.9	11.78	+ 6.4	12.27	79	+15.1	0.65	0.96
	Dec.	17.87	100	- 1.1	15.45	+31.2	13.52	87	+10.2	0.86	1.14
1966 -	Mar.	16.84	94	- 5.8	15.81	+ 2.3	12.50	80	- 7.5	0.94	1.26
	June	15.69	88	- 6.9	14.50	- 8.3	11.97	77	- 4.2	0.93	1.21
	Sept.	13.98	78	-10.8	9.01	-37.9	8.29	53	-30.8	0.64	1.09
	Dec.	14.47	81	+ 3.5	9.41	+ 4.4	9.52	61	+14.8	0.65	0.99
1967 -	Mar.	16.79	94	+16.0	12.22	+29.9	11.52	74	+21.0	0.73	1.06
	June	17.36	97	+ 3.4	18.28	+49.6	13.27	85	+15.2	1.05	1.38
	Sept.	18.69	105	+ 7.7	30.33	+65.9	15.23	98	+14.8	1.62	1.99
	Dec.	18.60	104	- 0.5	26.25	-13.5	12.72	82	-16.5	1.41	2.06
Monthly - 1968 -	Jan.	17.36	97	- 6.7	25.56	- 2.6	12.72	82	0.0	1.47	2.01
	Feb.	16.60	93	- 4.4	25.13	- 1.7	13.80	87	+ 8.5	1.51	1.82
	Mar.	16.60	93	0.0	20.06	-20.2	13.28	85	- 3.8	1.21	1.51
	Apr.	17.85	100	+ 7.5	25.77	+28.5	15.99	103	+20.4	1.44	1.61
	May	18.47	104	+ 3.5	27.06	+ 5.0	16.84	108	+ 5.3	1.47	1.61
	June	18.76	105	+ 1.6	27.75	+ 2.5	17.03	109	+ 1.1	1.48	1.63
	July	18.33	103	- 2.3	24.14	-13.0	14.40	92	-15.5	1.32	1.68
	Aug.	16.94	95	- 7.6	23.98	- 0.7	15.55	100	+ 8.0	1.42	1.54
	Sept.	17.98	101	+ 6.1	21.77	- 9.2	13.55	87	-12.9	1.21	1.61
Weekly - 1968 -	10/ 2	18.01	101	+ 0.2	22.74	+ 4.5	15.20	98	+12.2	1.26	1.50
	10/ 9	18.18	102	+ 0.9	23.49	+ 3.3	15.38	99	+ 1.2	1.29	1.53
	10/16	18.14	102	- 0.2	23.81	+ 1.4	15.34	99	- 0.3	1.31	1.55
	10/23	18.33	103	+ 1.0	23.60	- 0.9	15.10	97	- 1.6	1.29	1.56
	10/30	18.10	102	- 1.3	23.01	- 2.5	14.80	95	- 2.0	1.27	1.55
	11/ 6	18.08	101	- 0.1	22.58	- 1.9	14.40	92	- 2.7	1.25	1.57
	11/13	18.37	103	+ 1.6	22.99	+ 1.8	14.30	92	- 0.7	1.25	1.61
	11/20	18.24	102	- 0.7	22.72	- 1.2	13.94	90	- 2.5	1.25	1.63
	11/27	18.54	104	+ 1.6	22.46	- 1.1	13.91	89	- 0.2	1.21	1.61
	12/ 4	18.61	104	+ 0.4	22.46	0.0	14.76	95	+ 6.1	1.21	1.52
	12/11	18.89	106	+ 1.5	23.20	+ 3.3	14.44	93	- 2.2	1.23	1.61
	12/18	18.75	105	- 0.7	22.99	- 0.9	14.34	92	- 0.7	1.23	1.60
	12/25	18.44	103	- 1.7	21.98	- 4.4	13.52	87	- 5.7	1.19	1.63
Weekly - 1969 -	1/ 1	18.23	102	- 1.1			13.71	88	+ 1.4		
	1/ 8	17.68	99	- 3.0			13.39	86	- 2.3		
	1/15	17.84	100	+ 0.9			13.85	89	+ 3.4		
	1/22	17.90	100	+ 0.3			13.78	89	- 0.5		
	1/29	17.95	101	+ 0.3			13.78	89	0.0		
	2/ 5	18.06	101	+ 0.6			13.93	89	+ 1.1		
	2/12	18.15	102	+ 0.5			14.23	91	+ 2.2		
	2/19	17.63	99	- 2.9			15.26	98	+ 7.2		
	2/26	17.25	97	- 2.2			14.40	92	- 5.6		
	3/ 5	17.50	98	+ 1.4			15.50	100	+ 7.6		
	3/12	17.40	98	- 0.6			15.08	97	- 2.7		
	3/19	16.82	94	- 3.3			15.01	96	- 0.5		
	3/26	17.04	96	+ 1.3			15.08	97	+ 0.5		
	4/ 2	17.12	96	+ 0.5			15.47	99	+ 2.3		
	4/ 9	17.17	96	+ 0.3			16.06	103	+ 4.1		
	4/16	17.10	96	- 0.4			15.36	99	- 4.4		
	4/23	17.13	96	+ 0.2			15.08	97	- 1.8		
	4/30	17.65	99	+ 3.0			14.73	95	- 2.3		
	5/ 7	17.83	100	+ 1.0			15.57	100	+ 5.7		
	5/14	18.31	103	+ 2.7			16.06	103	+ 3.1		
	5/21	18.01	101	- 1.6			16.27	104	+ 1.3		
	5/28	17.80	100	- 1.2			15.79	101	- 3.0		

Thirteen week average (10/2/68-12/25/68)	
of Piper Ratio ÷ S&P Ratio	1.25
and Piper Ratio ÷ Cessna Ratio	1.57

Note:

Quarterly price earnings ratios are computed on the basis of closing prices for the respective quarters and actual earnings for the then latest 12 months for the period 1960-1967. Ratios presented for 1968 and 1969 are computed by using closing prices for the periods indicated and the latest 12 month earnings reported at the times of such prices.

PIPER AIRCRAFT CORPORATION

HISTORICAL AND PROJECTED INCOME

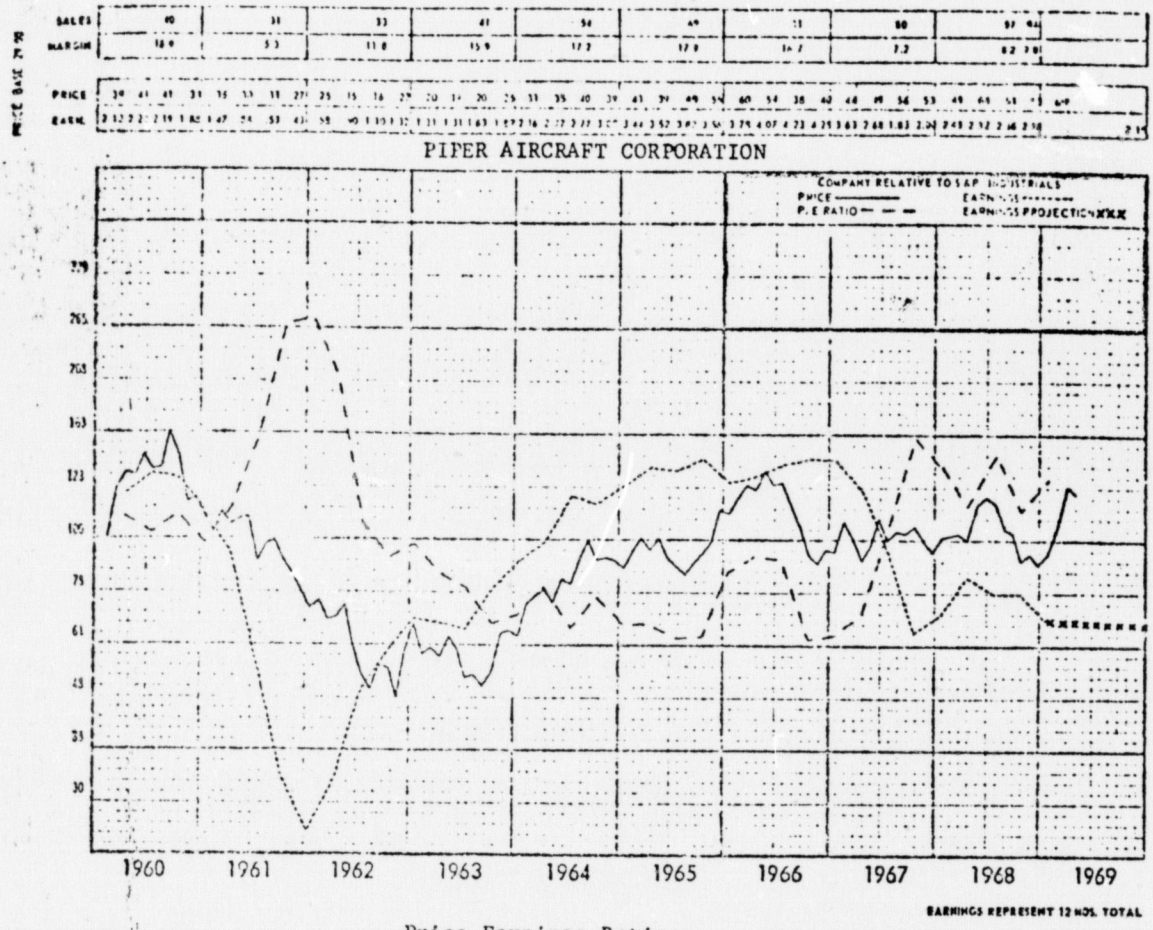
1966 - 1973 (1)
($000)

	1966	1967	1968	1969	1970	1971	1972	1973
Sales	$ 81,313	$ 80,439	$ 96,724	$106,569	$ 68,372	$ 64,900	$ 97,800	$131,200
Direct Costs	51,397	55,106	65,590	69,194	44,261	42,938	63,140	82,040
Contribution	29,916	25,333	31,134	37,375	24,111	21,962	34,660	49,160
Expenses - Mfg.	9,869	11,253	13,456	17,415	16,912	11,716	15,341	16,288
- S & A	6,453	8,259	9,440	9,742	8,773	9,480	10,758	13,120
Total	16,322	19,512	22,896	27,157	25,685	21,196	26,099	29,408
Pre-tax Income	13,594	5,821	8,238	10,218	(1,574)	766	8,561	19,752
Net Income	$ 6,871	$ 2,991	$ 3,863	$ 4,801	$ (776)	$ 383	$ 4,280	$ 9,876
Earnings Per Share	$ 4.23	$ 1.83	$ 2.36	$ 2.92	$ (0.47)	$ 0.23	$ 2.60	$ 6.00
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Direct Costs	63.2	68.5	67.8	64.9	64.7	66.2	64.6	62.5
Contribution	36.8	31.5	32.2	35.1	35.3	33.8	35.4	37.5
Expenses - Mfg.	12.2	14.0	13.9	16.4	24.8	18.0	15.6	12.4
- S & A	7.9	10.3	9.8	9.1	12.8	14.6	11.0	10.0
Total	20.1	24.3	23.7	25.5	37.6	32.6	26.6	22.4
Pre-tax Income	16.7	7.2	8.5	.6	(2.3)	1.2	8.8	15.1
Net Income	8.4	3.7	4.0	4.5	(1.1)	0.6	4.4	7.5

(1) Fiscal year ends September 30.

Source: Piper Aircraft Corporation

1128

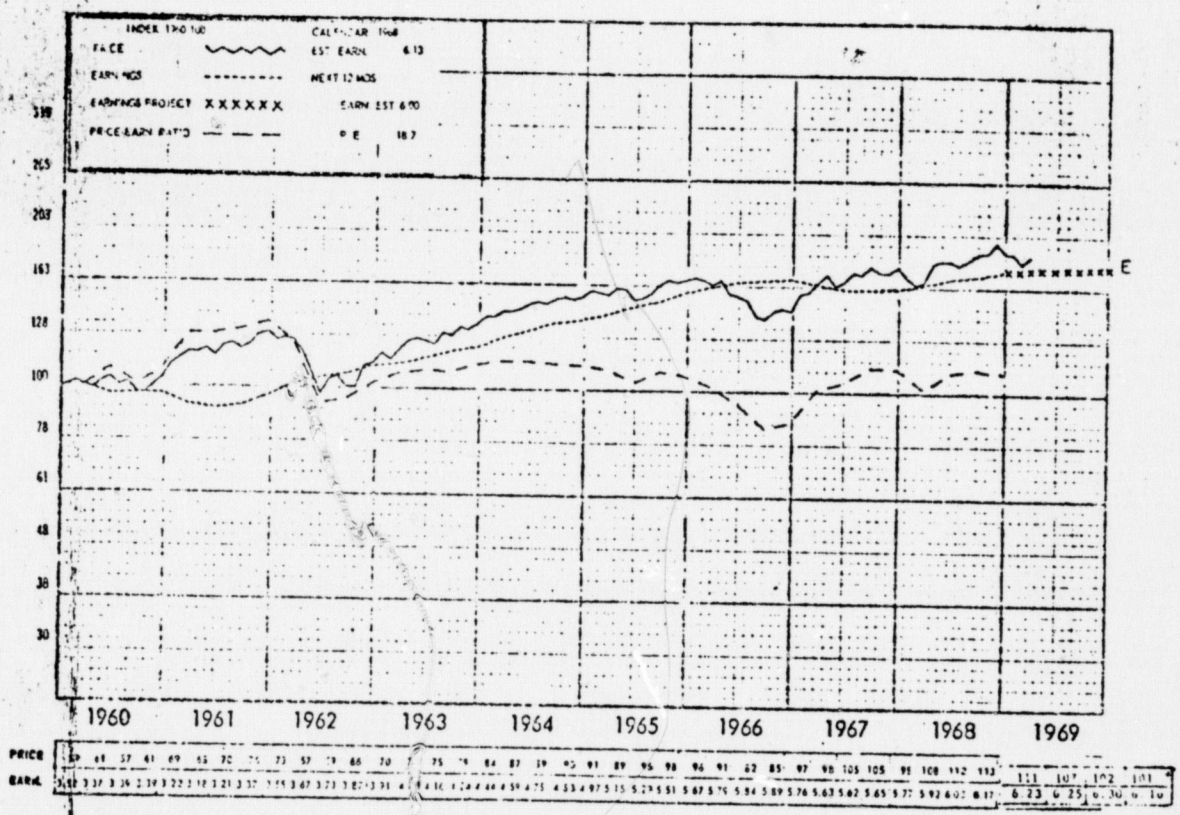


Price Earnings Ratios

Year	Calendar Quarter	Piper	S&P-425	Piper Ratio ÷ S&P Ratio
1963	1	15.26	17.83	.86
	2	14.50	18.05	.80
	3	12.27	19.05	.64
	4	13.23	18.69	.71
1964	1	15.28	18.89	.81
	2	12.64	18.88	.67
	3	14.44	18.76	.77
	4	12.67	18.55	.68
1965	1	12.50	18.31	.68
	2	11.07	19.21	.58
	3	11.78	18.07	.65
	4	15.45	17.87	.86
1966	1	15.81	16.84	.94
	2	14.50	15.67	.93
	3	9.01	13.98	.64
	4	9.41	14.47	.65

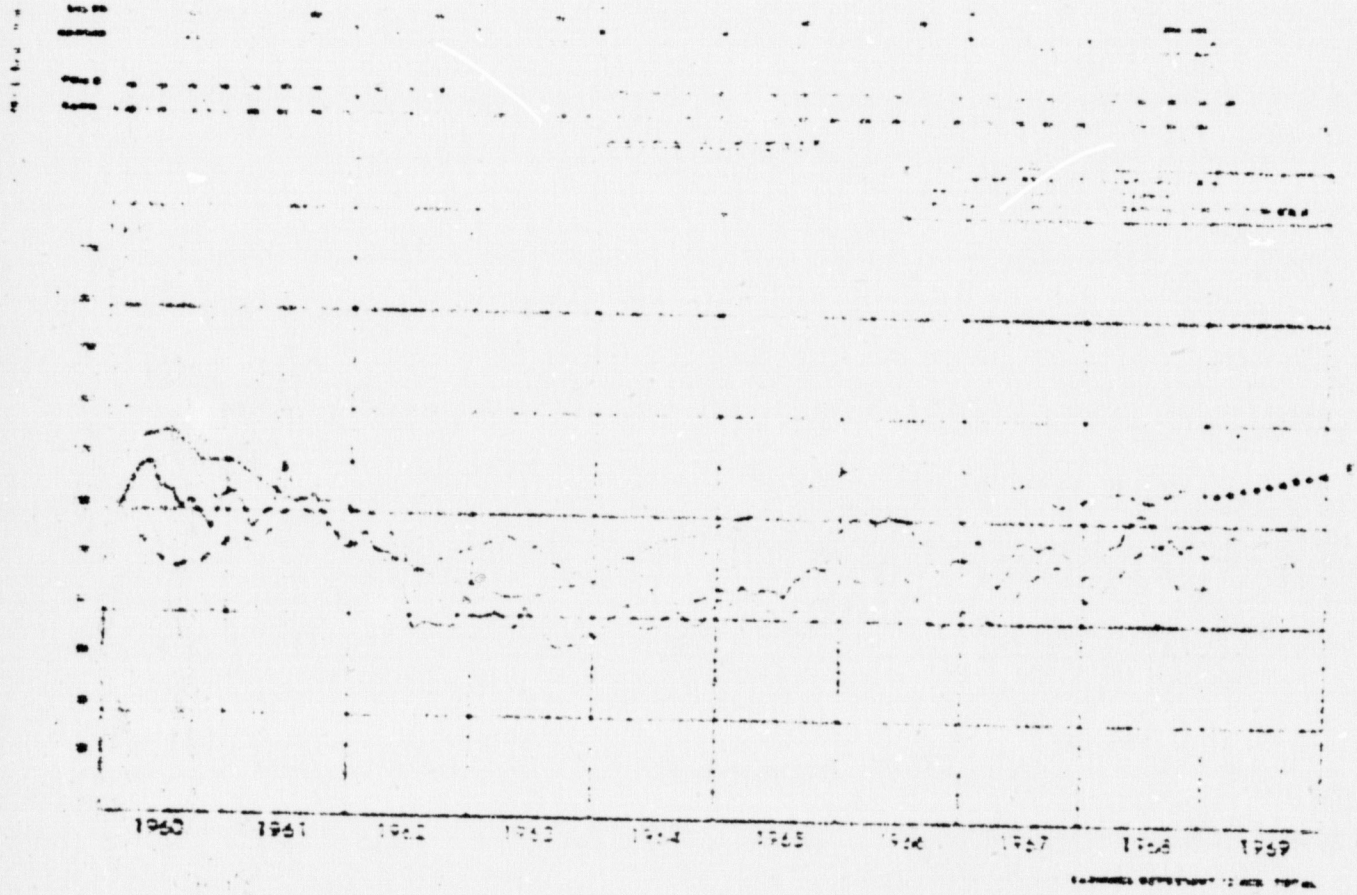
.742 Average

STANDARD & POOR'S 425 INDUSTRIALS



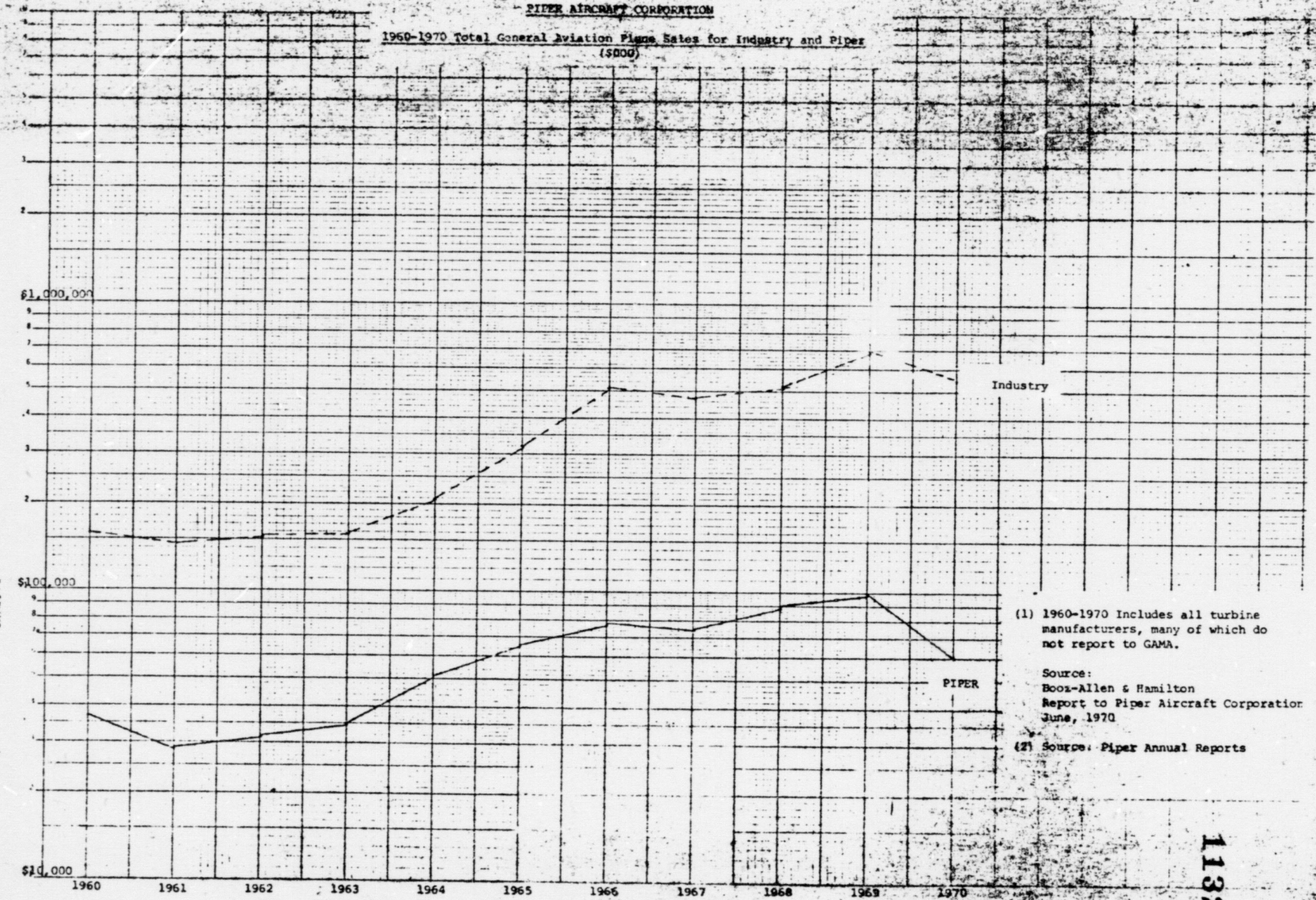
PRICE BASE $9.00

Year	Calendar Quarter	S&P P/E Ratios	Year	Calendar Quarter	S&P P/E Ratios	Year	Calendar Quarter	S&P P/E Ratios
1960	1	16.77	1964	1	18.89	1968	1	17.02
	2	17.96		2	18.88		2	18.30
	3	16.73		3	18.76		3	18.58
	4	18.14		4	18.55		4	18.32
1961	1	21.36	1965	1	18.31	1969	1	17.80
	2	21.51		2	19.21		2	17.13
	3	21.83		3	18.07		3	16.27
	4	22.47		4	17.87		4	16.48
1962	1	20.66	1966	1	16.84	1970	1	16.34
	2	15.62		2	15.67		2	13.59
	3	15.76		3	13.98			
	4	17.10		4	14.47			17.87 Average
1963	1	17.83	1967	1	16.79			
	2	18.05		2	17.36			
	3	19.05		3	18.69			
	4	18.69		4	18.60			


1960
1961
1967
1968
1969

PIPER AIRCRAFT CORPORATION

1960-1970 Total General Aviation Piane Sales for Industry and Piper
($000)



(1) 1960-1970 Includes all turbine manufacturers, many of which do not report to GAMA.

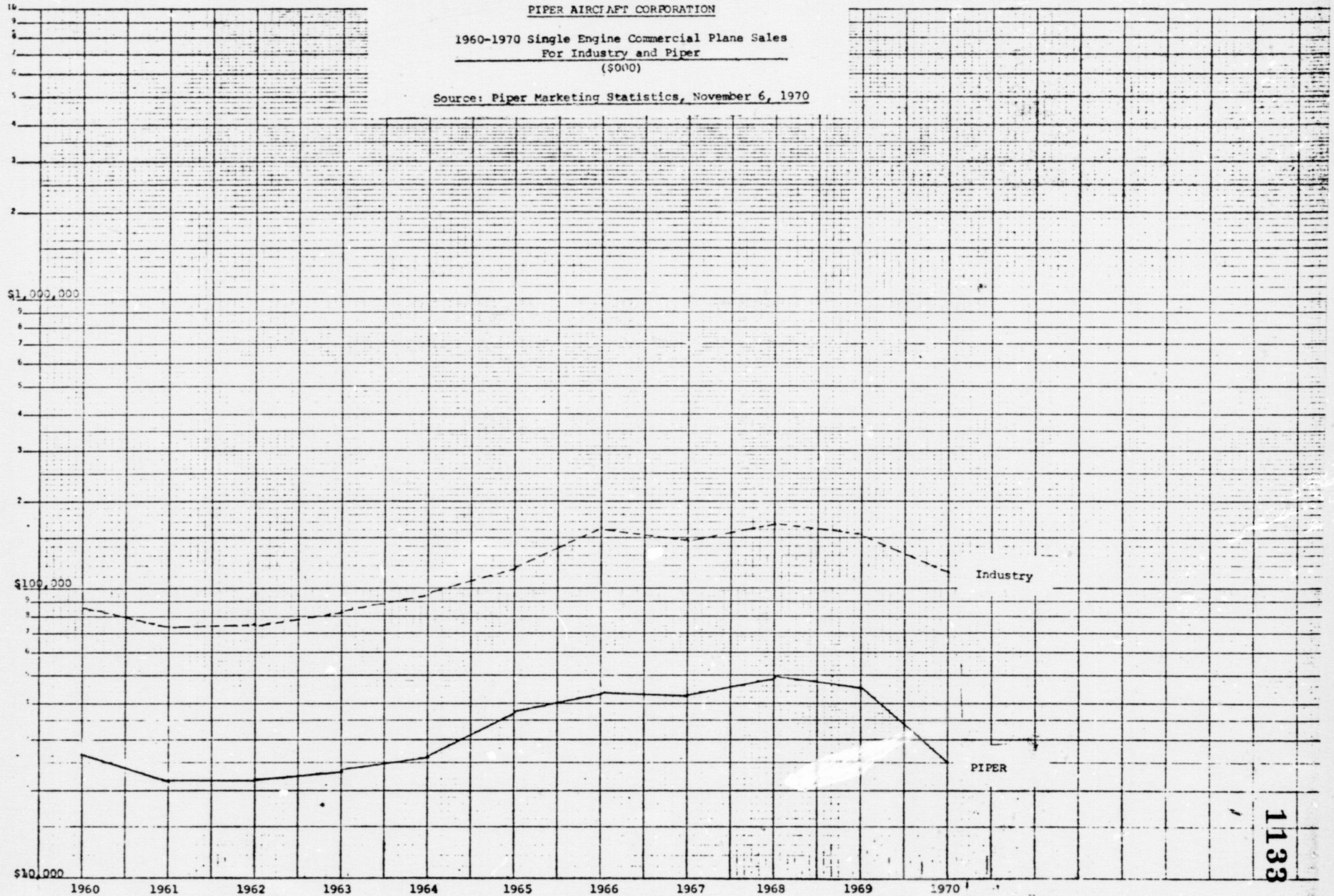
Source:
Booz-Allen & Hamilton
Report to Piper Aircraft Corporation
June, 1970

(2) Source: Piper Annual Reports

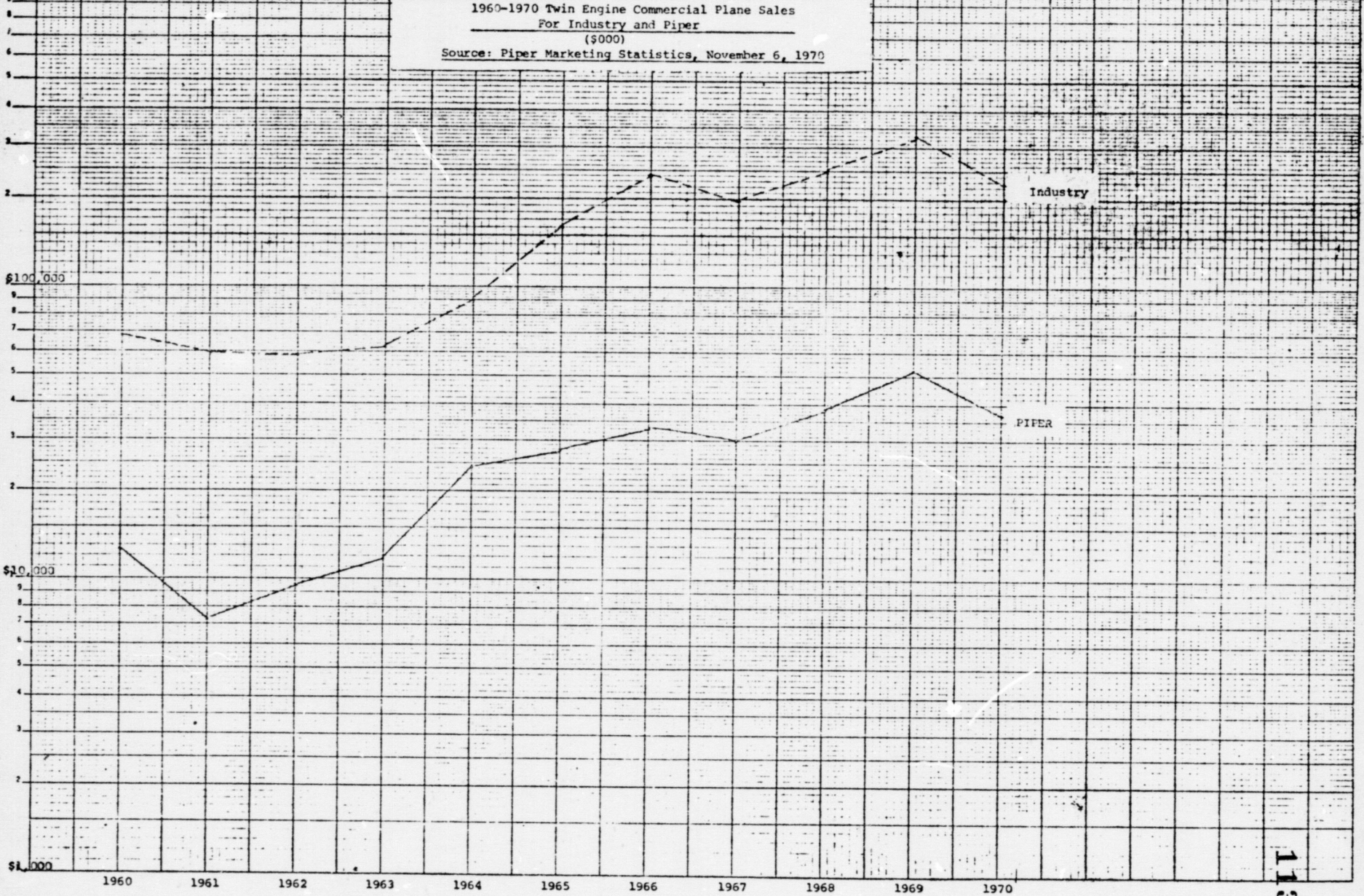
PIPER AIRCRAFT CORPORATION

1960-1970 Single Engine Commercial Plane Sales
For Industry and Piper
($000)

Source: Piper Marketing Statistics, November 6, 1970



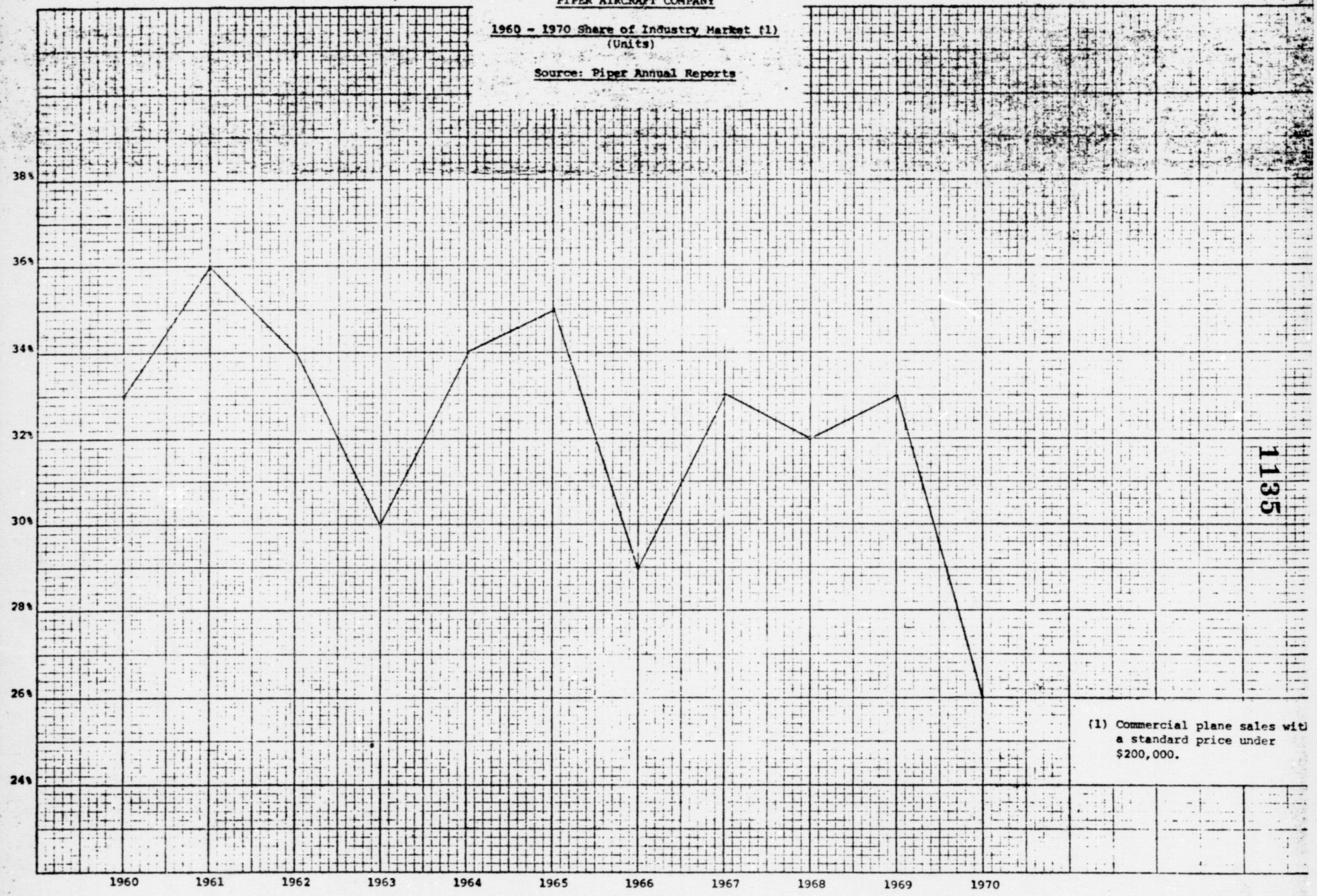
1960-1970 Twin Engine Commercial Plane Sales
For Industry and Piper
($000)
Source: Piper Marketing Statistics, November 6, 1970



PIPER AIRCRAFT COMPANY

1960 - 1970 Share of Industry Market (1)
(Units)

Source: Piper Annual Reports



(1) Commercial plane sales with a standard price under $200,000.

1135

PIPER AIRCRAFT CORPORATION

1960-1970 Share of Industry Market
(Units)

Year Ended Sept. 30	Source - Annual Reports			Source - GAMA (3)		
	Industry (1)	Piper	(%)	Industry (2)	Piper	(%)
1970	8,250	2,144	26	8,456	2,141	25
1969	12,500	4,077	33	12,782	4,064	32
1968	14,000	4,474	32	14,388	4,476	31
1967	13,000	4,302	33	13,220	4,273	32
1966	14,667	4,284	29	15,345	4,319	28
1965	10,952	3,818	35	11,251	3,838	34
1964	8,664	2,933	34	8,728	2,931	34
1963	7,246	2,177	30	7,273	2,212	30
1962	6,626	2,223	34	6,586	2,233	34
1961	6,915	2,476	36	6,915	2,469	36
1960	7,745	2,595	33	7,732	2,582	33

Notes:

(1) - Includes only airplanes with a standard price under $200,000.

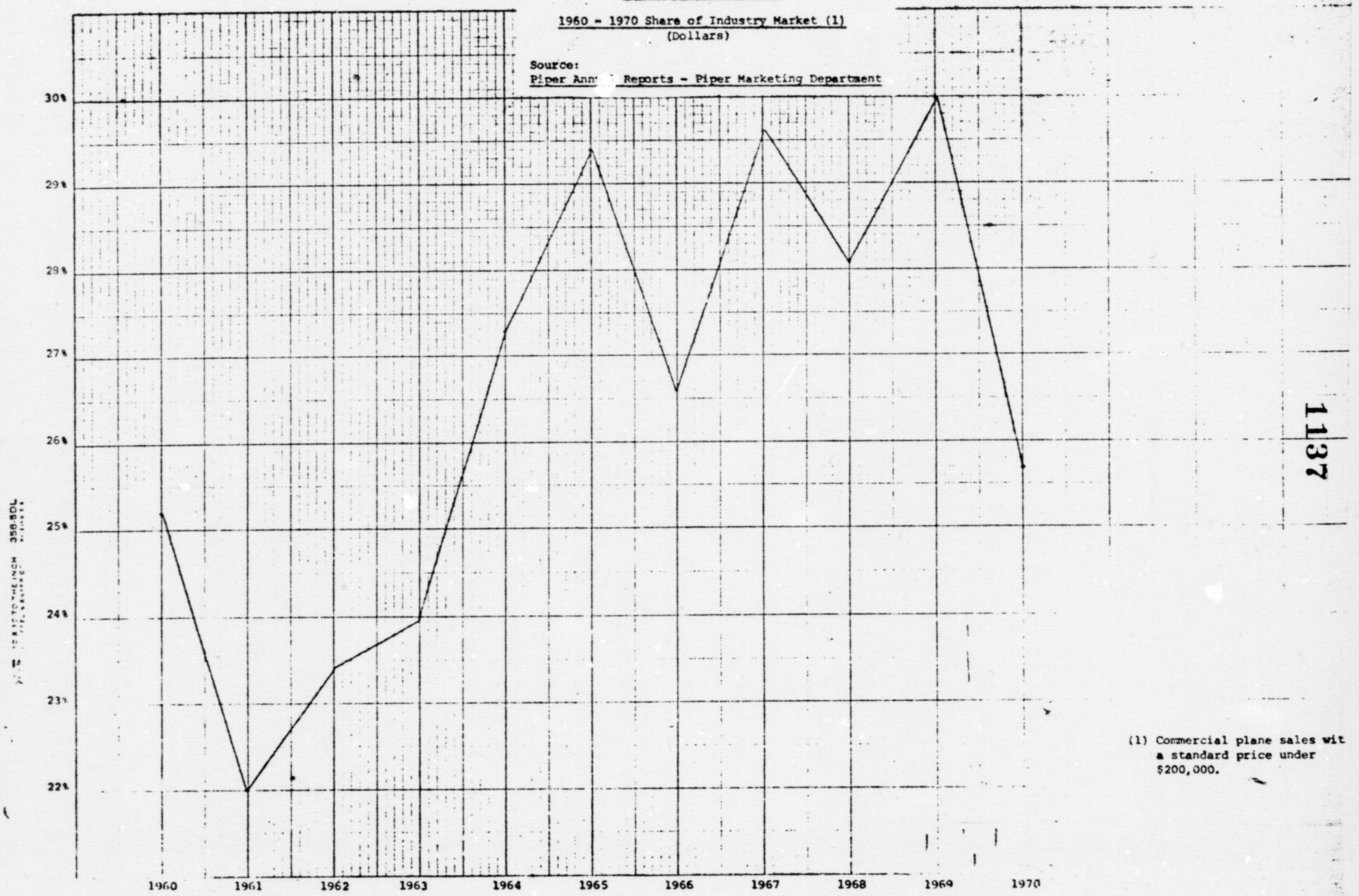
(2) - Commercial aircraft sales - all models (includes airplanes with standard price over $200,000).

(3) - Does not include a number of turbojets with a standard price in excess of $200,000, since several turbojet manufacturers do not report to GAMA.

PIPER AIRCRAFT COMPANY

1960 - 1970 Share of Industry Market (1)
(Dollars)

Source:
Piper Annual Reports - Piper Marketing Department



(1) Commercial plane sales wit a standard price under $200,000.

PIPER AIRCRAFT COMPANY

1960-1970 Share of Industry Market
($000)

Year Ended Sept. 30	Source - Annual Reports			Source: Piper Marketing Department			Source - GAMA(5)		
	Industry(1)	Piper(2)	(%)	Industry(3)	Piper(3)	(%)	Industry(4)	Piper	(%)
1970	$249,000	$ 68,372	27.5	$234,607	$60,391	25.7	$333,277	$60,353	18.1
1969	355,000	106,569	30.0	333,354	98,926	30.0	460,947	97,421	21.1
1968	340,000	96,724	28.4	320,328	89,855	28.1	420,908	88,482	21.0
1967	270,000	80,439	29.8	251,101	74,388	29.6	352,451	73,300	20.8
1966	305,000	81,313	26.7	285,761	76,116	26.6	405,941	75,494	18.6
1965	235,000	69,086	29.4	220,033	64,716	29.4	279,552	64,839	23.2
1964	200,000	54,378	27.2	186,436	51,004	27.3	187,146	50,262	26.9
1963	156,000	38,090	24.4	145,341	34,990	24.0	145,341	35,342	24.3
1962	140,000	33,340	23.8	132,128	31,042	23.4	132,460	30,837	23.3
1961	135,000	31,410	23.0	129,560	28,569	22.0	130,006	28,702	22.1
1960	155,000	40,212	26.0	147,127	37,104	25.2	147,020	37,109	25.2

Notes:
(1) - Includes Commercial plane sales with a standard price under $200,000 plus estimated addition for industry other services, parts, etc.
(2) - Includes Commercial plane sales, addition for other services, parts, etc., and Military plane sales.
(3) - Includes Commercial plane sales with a standard price under $200,000 (no addition for industry other services, parts, etc.).
(4) - Commercial aircraft sales all models (includes airplanes with a standard price over $200,000).
(5) - Does not include a number of turbojets with a standard price in excess of $200,000, since several turbojet manufacturers do not report to GAMA.

PIPER AIRCRAFT COMPANY

Product Sales Related to Estimated TOTAL Markets(3)
($000)

	TRAINER			CHEROKEE 180(1)			CHEROKEE 235 - ARROW(2)			CHEROKEE SIX 32			COMANCHE - 24			COMANCHE - 30		
	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)
1970	$22,801	$ 6,433	28	$20,867	$ 4,139	20	$21,798	$ 6,313	29	$16,296	$ 4,061	25	$20,484	$ 1,485	7	$11,497	$ 4,438	39
1969	34,313	12,934	38	28,445	5,135	18	30,001	10,747	36	20,577	7,560	37	23,308	2,674	10	19,283	9,154	48
1968	31,480	10,368	33	39,389	10,241	26	42,722	15,745	37	16,361	5,428	33	25,453	2,197	9	14,926	5,659	38
1967	32,382	12,960	40	25,377	7,482	29	34,017	4,684	14	20,505	9,548	47	23,950	3,082	13	20,450	10,278	50
1966	32,934	8,522	26	32,982	10,228	31	33,803	680	2	22,257	11,342	51	28,711	5,983	21	23,759	12,619	53
1965	17,685	5,916	33	27,698	10,013	36	28,408	3,162	11	10,979	1,716	16	25,227	7,617	30	19,338	9,367	48
1964	8,428	3,540	42	18,793	4,787	25	27,224	5,796	21	9,158	-	-	23,977	5,130	21	19,867	13,888	70
1963	4,719	1,449	31	23,302	6,988	30	18,466	658	4	10,579	-	-	16,851	5,688	34	6,973	3,211	46
1962	4,811	2,003	42	16,467	7,021	43	19,970	-	-	5,391	-	-	22,798	7,788	34	1,481	-	-
1961	8,066	4,994	62	13,546	1,268	9	15,517	-	-	3,735	-	-	25,751	9,249	36	2,349	-	-
1960	3,787	-		20,721	4,630	22	15,539	-	-	-	-	-	37,070	13,760	37	6,696	-	-

	AZTEC - 23			NAVAJO - 31			PRESSURIZED NAVAJO - 31P			OTHER TWINS			PAWNEE - 25			OTHER			TOTAL INDUSTRY MARKET (1
	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	
1970	$40,009	$11,010	28	$36,686	$15,197	41	$33,151	$3,884	12	$104,163	$ -	-	$10,297	$2,292	22	$2,509	$ 627	25	$340,558
1969	53,595	19,360	36	64,487	23,961	37	41,869	-	-	143,618	-	-	13,367	4,915	37	2,387	980	41	475,250
1968	51,224	14,312	28	45,127	18,714	41	31,510	-	-	108,108	-	-	10,939	4,730	43	2,353	1,137	48	420,192
1967	46,149	13,533	29	29,074	6,537	22	3,408	-	-	99,973	-	-	9,360	3,886	42	1,609	1,061	66	346,254
1966	60,861	20,199	33	25,894	-	-	8,488	-	-	122,771	-	-	9,640	5,210	100	1,905	1,295	68	404,005
1965	44,578	18,243	41	14,499	-	-	4,587	-	-	78,625	-	-	7,050	7,050	100	1,897	1,443	76	280,571
1964	39,402	10,160	26	3,255	-	-	1,241	-	-	26,663	-	-	5,191	5,191	100	2,583	1,758	68	185,782
1963	26,900	8,603	32	8,918	-	-	2,656	-	-	17,275	-	-	3,917	3,917	100	4,541	4,302	95	145,037
1962	32,622	9,544	28	10,220	-	-	175	-	-	13,837	-	-	2,631	2,631	100	2,460	2,359	96	132,863
1961	27,265	7,216	26	17,193	-	-	540	-	-	11,687	-	-	2,002	1,830	91	4,520	4,266	94	137,171
1960	25,584	12,597	49	16,332	-	-	360	-	-	18,382	-	-	2,936	2,848	97	5,276	5,216	99	152,683

Notes:
(1) - Tripacer 1960-1963, Cherokee introduced 1961.
(2) - Cherokee 235 introduced 1963, Arrow introduced 1967.
(3) - Includes all Commercial Plane Sales. However, does not include a number of turbojets with a standard price in excess of $200,000, since several turbojet manufacturers do not report to GAMA. The GAMA reports are used as basis for Piper Marketing Statistics.

Source: Piper Marketing Statistics, November 6, 1970.

PIPER AIRCRAFT CORPORATION

COMPARATIVE BASE AIRPLANE PRICES BY MANUFACTURER

1969-1971

TRAINER MARKET:	1969	1970	Percentage Change 1969 to 1970	1971	Percentage Change 1970 to 1971
Cherokee 140	$ 9,600	$10,400	+8.3%	$10,990	+5.7%
Cessna 150	7,995	8,350	4.5	8,895	6.5
CHEROKEE 180 MARKET:					
Cherokee 180	14,380	14,980	4.2	15,950	6.5
Cessna 172	12,500	13,125	5.0	13,425	2.3
Cessna Skyhawk	13,995	14,695	5.0	14,995	2.0
Cessna 177	15,775	16,300	3.3	16,795	3.0
Cessna Cardinal	16,995	17,500	3.0	17,995	2.8
Beech 19	14,250	15,450	8.5	15,450	N/C
Beech 23	16,950	18,150	7.1	18,150	N/C
ARROW MARKET:					
Cherokee 235	17,990	19,500	8.5	20,670	6.0
Cherokee 180R	17,500	18,980	10.3	19,950	5.1
Cherokee 200R	18,500	19,980	8.0	21,200	6.1
Cessna 182	18,995	19,795	4.2	20,850	5.3
Cessna Skylane	19,950	20,895	4.7	21,850	4.6
Cessna 180	18,850	19,725	4.6	20,500	3.9
Cessna Cardinal RG	--	--	--	24,795	--
Beech 24R	--	24,950	--	24,950	N/C
CHEROKEE SIX MARKET:					
Cherokee Six 260	21,900	23,650	8.0	24,990	5.7
Cherokee Six 300	24,900	26,890	8.0	28,600	6.4
Cessna 185	22,450	23,350	4.0	24,250	3.9
Cessna 206P	26,550	27,450	3.4	28,995	5.6
Cessna T206P	30,950	31,950	3.2	33,495	4.8
Cessna 207	28,250	28,250	N/C	29,750	5.3
Cessna T207	32,750	32,750	N/C	34,250	4.6
COMANCHE MARKET:					
Comanche	27,500	29,990	9.1	31,800	6.0
Turbo Comanche	--	35,720	--	37,530	5.1
Cessna 210	31,250	34,725	11.0	36,450	5.0
Cessna T 210	35,695	39,250	10.0	40,950	4.3
Beech 33	31,750	34,150	7.6	Unk.	--
Beech 33A	35,750	38,150	6.7	41,600	9.0
Beech 35	36,850	39,250	6.5	41,600	6.0
Beech 36	40,650	42,950	5.7	45,550	6.1

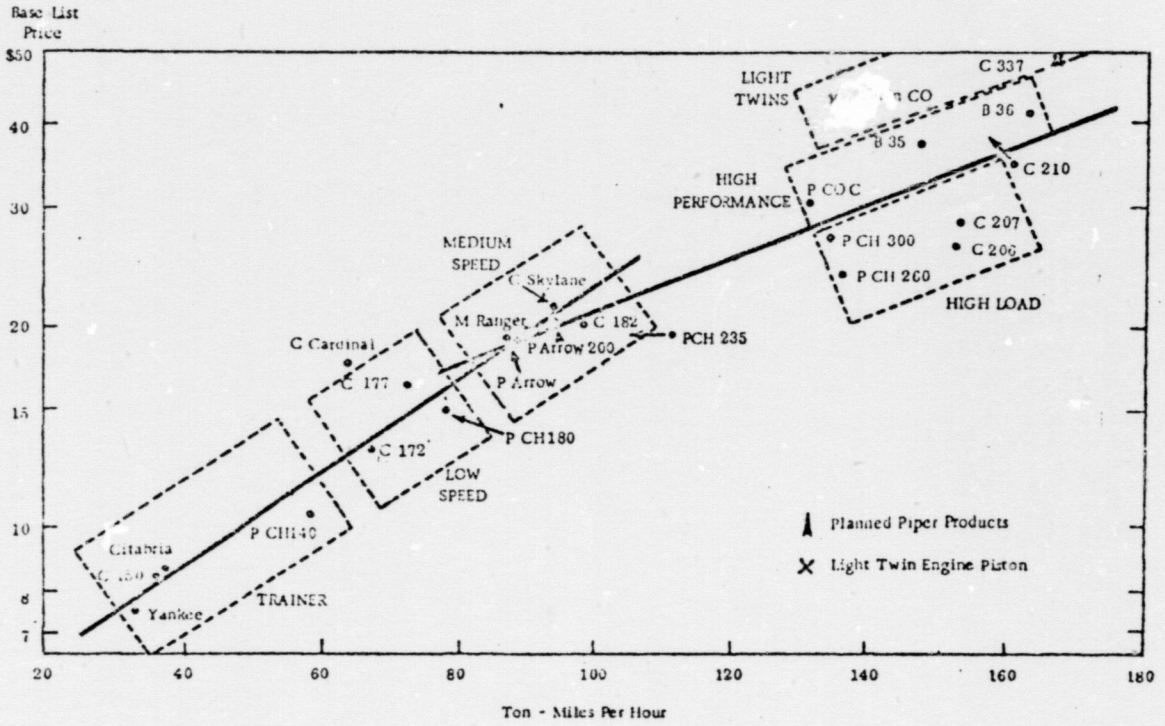
Base Airplane Prices (cont.)

TWIN COMANCHE MARKET:	1969	1970	Percentage Change 1969 to 1970	1971	Percentage Change 1970 to 1971
Twin Comanche	$ 39,990	$ 42,990	7.5%	NA	
Twin Comanche CR	--	43,990	--	$ 46,640	+6.0%
Turbo T-Com. CR	53,240	54,240	1.9	57,490	6.0
Cessna 337	47,500	48,995	3.1	51,250	4.6
Cessna T337	52,300	56,995	9.0	59,750	4.8
AZTEC MARKET:					
Aztec	59,990	65,990	10.0	69,990	6.1
Turbo Aztec	73,975	75,540	2.1	80,115	6.1
Cessna 310	65,950	67,950	3.0	69,950	2.9
Cessna T310	--	86,950	--	89,950	3.5
Beech B-55	62,950	67,950	7.9	67,950	N/C
Beech E-55	77,950	83,950	7.7	86,750	3.3
Beech 58	--	89,950	--	98,500	9.5
NAVAJO MARKET:					
Navajo	106,800	116,550	7.1	115,570	N/C
Cessna 401	105,950	109,950	3.8	108,500	-1.3
Cessna 402	107,840	110,840	2.8	111,950	+1.0
Aero Com. 500	99,950	109,250	9.3	109,250	N/C
Beech 65	149,500	159,500	6.7	Unk.	--
Beech 70	161,500	171,500	6.2	Unk.	--
PRESSURIZED NAVAJO MARKET:					
Press. Navajo	197,000	197,000	N/C	197,000	N/C
Cessna 414	--	137,950	--	144,950	5.1
Cessna 421	172,500	187,500	8.7	192,500	2.7
Beech Duke	171,500	171,500	N/C	179,500	4.7
PAWNEE MARKET:					
Pawnee	17,800	18,990	6.7	19,990	5.3
Cessna Agwagon	17,850	19,400	8.7	20,995	8.2
Aero Commander Quail	17,900	19,450	8.7	19,450	N/C
Aero Commander Thrush	39,500	39,500	N/C	42,650	8.0
Super Cub	10,550	11,550	9.5	12,195	5.6
TURBINE MARKET:					
King Air 90	442,000	465,000	5.2	399,950	-14.0
King Air 100	565,000	565,000	--	605,000	+ 7.1
AC 680T	362,675	389,500	7.4	389,500	N/C
MU-2F	368,850	368,850	N/C	368,850	N/C
Swearingen Merlin IIB	430,000	430,000	N/C	442,000	2.8
" " III	--	550,000	--	565,000	2.7
MU-2G	--	443,000	--	443,000	N/C

Source: Piper Aircraft Marketing Research Department

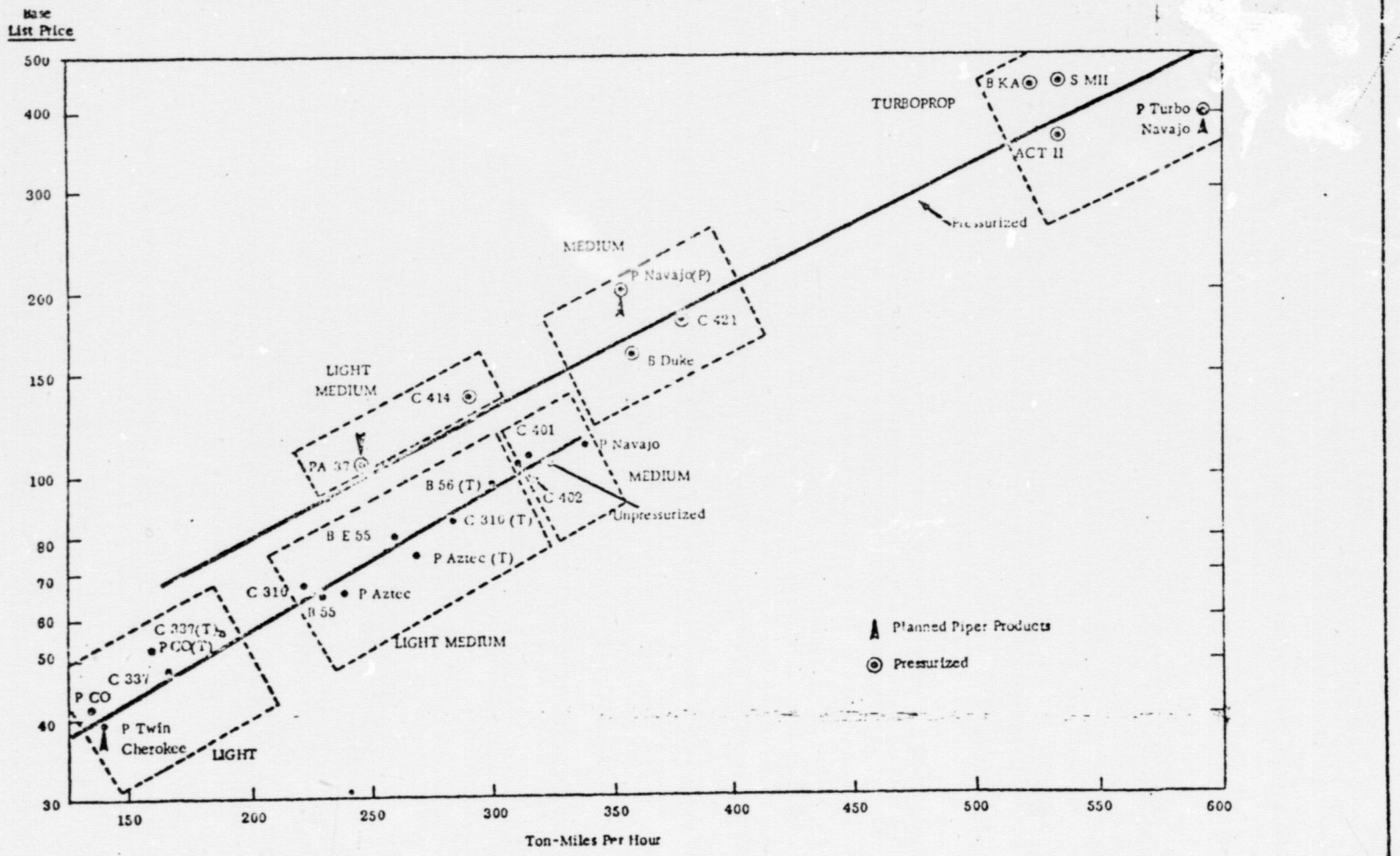
N/C - No Change

RELATIONSHIP BETWEEN PRICE AND PERFORMANCE OF SINGLE ENGINE AIRCRAFT
(DOLLARS IN THOUSANDS)



Source: BOOZ-ALLEN & HAMILTON
Report to Piper Aircraft Corporation
June 1970

RELATIONSHIP BETWEEN PRICE AND PERFORMANCE OF TWIN ENGINE AIRCRAFT
(DOLLARS IN THOUSANDS)



Source: BOOZ-ALLEN & HAMILTON
Report to Piper Aircraft Corporation
June 1970

EXHIBIT XXII

Piper Aircraft Corporation

COMPARATIVE NEW PRODUCT INTRODUCTIONS
OF MAJOR MANUFACTURERS

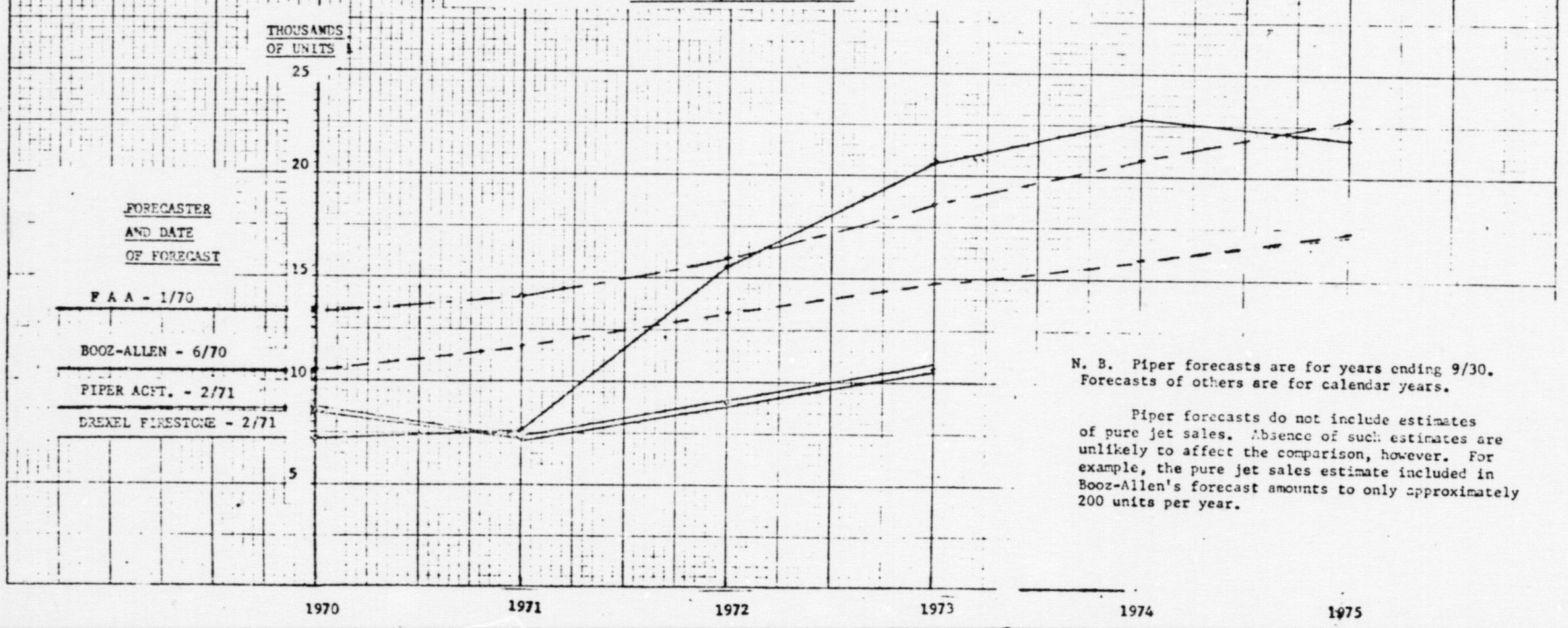
	Piper		Cessna		Beech	
Performance Class	Model	Year Introduced	Model	Year Introduced	Model	Year Introduced
Single Engine Piston						
Trainer	CH-140	1964	150	1959*	Sport	1966
Low speed	CH-180	1961	172	1956	Custom	1962
Medium speed - (fixed)	Comanche	1958	182	1956	Super 24	1966
- (retractable)	Arrow	1967	-	-	Super (R)	1970
High performance	COM-C	1958	210	1960	Bonanza	1947
High load	CH-6	1965	206	1964	-	-
Agricultural	Pawnee	1959	Ag Wagon	1966	-	-
Twin Engine Piston						
Unpressurized - Light	T. COM	1963	Skymaster	1965	-	-
- Light/Medium	Aztec	1960	310	1954	55	1961
- Medium	Navajo	1967	411	1965	QA65	1960
			401/402	1967		
Pressurized - Light/Medium	PA-37	1974	414	1970	-	-
- Medium	Navajo (P)	1970	421	1967	Duke	1968
Turboprop (Light)						
Pressurized	Navajo (TP)	1972	-	-	King Air 90	1964
Unpressurized	-	-	-	-	99	1968
Turbojet (Light)	-	-	Citation	1972	DH-125	1970**

* Outlined models indicate first entrants which in all cases lead sales in their respective market on an annual market share basis.

** Beech acquired marketing rights to the DH-125 in 1970, while the aircraft was first sold in 1963.

COMPARATIVE FORECASTS OF GENERAL AVIATION

UNIT SALES, 1970 - 1975



N. B. Piper forecasts are for years ending 9/30. Forecasts of others are for calendar years.

Piper forecasts do not include estimates of pure jet sales. Absence of such estimates are unlikely to affect the comparison, however. For example, the pure jet sales estimate included in Booz-Allen's forecast amounts to only approximately 200 units per year.

YEAR*	BOOZ ALLEN FORECAST-6/70			PIPER AIRCRAFT FORECAST-2/71			DREXEL FIRESTONE	FAA
	Piston Single & Twin	Turbine Prop & Jet	Total	Piston Single & Twin	Turbine Prop Only	Total*	Total Unit Forecast-2/71	Total Unit Forecast-1/70
1970	10,045	448	10,493	8,429	179	8,608	7,283	13,400
1971	11,255	458	11,713	7,220	150	7,370	7,600	14,200
1972	12,930	485	13,415	8,845	165	9,010	15,580	16,000
1973	14,310	505	14,815	10,430	200	10,630	20,600	18,700
1974	15,540	525	16,065				22,800	20,900
1975	16,820	535	17,355				21,800	22,900

* Ending 9/30 in Piper forecasts. Other forecasts are for calendar years.

* Does not include any forecast of the pure jet market. Pure jet sales are included in Booz Allen's forecast at approximately 200 units per year.

ANALYSIS of a recommendation

1147

DREXEL FIRESTONE INCORPORATED

An Economic Recovery Should Spark An Earnings Rebound for Cessna Aircraft

February 12, 1971

Fiscal Year	September	Shares	7.1 million
Price (Feb. 8)	$21	Price Range	$24-12
Earnings per Share*		Price/Earnings Ratio	
1970	$1.24	1970	16.9
1971E	1.00	1971E	21.0
1972E	2.00	1972E	10.5
Dividend	$0.60	Yield	2.9%
Market	NYSE	Symbol	CEA

* Fully Diluted

Cessna stock was added to Drexel Firestone's Recommended List on December 14, 1970 at a price of $16 per share. This report documents and expands upon that recommendation.

Recommendation

A resumption in real growth of disposable personal income, which we expect sometime in 1971, could unleash a sizable backlog of deferred purchases of general aviation airplanes. This in turn should lead to a substantial rebound in Cessna's sales and earnings in 1972. Beyond that, Cessna has the potential for recording earnings growth on the order of 20% per year during years of real economic expansion.

We are recommending the stock for purchase at this time in anticipation of the beginning of a recovery later this year and a strong earnings rebound in 1972.

Summary

Current data display a continuing downward trend in general aviation activity – as would be expected in the current economic environment – and also suggest a substantial backlog of pent-up demand arising from several years of deferred purchase decisions. The economic event required to trigger a resumption in the growth of airplane sales is, in our view, a resumption in the real growth of disposable personal income. Although it is difficult to predict the timing of an economic recovery and an improvement in general aviation sales, we find reason to believe that these events should occur in 1971.

Growth in general aviation airplane sales has averaged 17.5% per year for revenues and 9% for unit sales since 1955. The business is, of course, cyclical so that growth rates are substantially higher during periods of real economic growth and are negative during economic slowdowns. The industry and the economy are now going through a period of negative growth, but there is a prospect of substantially greater than average expansion in the coming years.

Cessna, the largest of the three major general aviation manufacturers, built approximately 50% of the general aviation airplanes produced in this country in 1970 and commanded 32% of the sales revenue. General aviation sales, including airplanes and aircraft equipment, accounted for 54% of total sales; military sales, 29%; and fluid drive sales to farm and industrial manufacturers, 17%. The military sales derived primarily from the T-37 jet trainer and A-37 light attack fighter programs, for

© 1971, Drexel Firestone Incorporated

which Cessna is the prime contractor. Total 1970 sales were $227 million, compared with a record high of $283 million in 1969.

The company offers 38 models of general aviation airplanes, ranging from the least expensive on the market to a high performance pressurized executive twin priced at $187,500. Cessna does not now manufacture any turbine-powered commercial airplanes, but has a business jet under development. This program is based on the experience gained in building almost 1500 T-37/A-37 series turbo-jet airplanes for the Air Force. Cessna "Citation" deliveries are scheduled to begin in the fall of 1971.

Cessna's share of the market has remained fairly consistent over the past five years, both in dollar volume and in number of units, except for the inroads made by business jets. The Citation program is designed to gain a position in that market.

The company has outperformed the rest of the industry throughout the current slowdown, in terms of both retail sales and new student activity. For example, its dealers recorded a 6% gain in new student starts during 1969 while the industry as a whole was off 11%. Further, we estimate that Cessna's retail sales in 1970 were down about 20%, compared to an estimated industry average of almost twice that level. In addition, the company has been able continuously to reduce its inventory levels throughout the year.

It is Cessna's marketing ability that in our opinion best distinguishes the company from its competitors. The company takes an aggressive approach to the realization of its growth objectives and views its major challenges as being in the marketing area, particularly at the retail levels. It is identifying the restraints to growth in each sector of its market and is implementing specific programs to remove these restraints. In our visits to the company, we have been impressed with the scope and imagination of management's approach to achieving substantial growth in all phases of its business.

Since we consider the retail marketing problem to be the greatest hindrance to growth of the general aviation industry, we also conclude that the company that is most aggressively working on this problem will be the most successful in exploiting the latent potential of the industry. We believe Cessna to be the industry leader in this regard, as evidenced by its improved market share and creditable financial performance during the current period of major industry setback.

OVERVIEW OF THE GENERAL AVIATION INDUSTRY

Introduction

General aviation consists of 135,000 airplanes, 680,000 pilots, and 10,000 airports in the United States. General aviation airplanes account for 98% of the U.S. civil fleet, log 70% of the air miles flown, and carry approximately 40% of the passengers traveling by air.

It is estimated that the direct contribution of the industry to gross national product approximated $2.7 billion in 1969, of which retail sales of new aircraft accounted for $800 million. A recent study commissioned by the Aerospace Industries Association forecasts that the direct contribution to GNP will grow to $7.1 billion by 1980, corresponding to an average growth rate for the industry as a whole of 10% per year through the 1970's.

Thus general aviation is a substantial segment of the transportation system, makes a significant contribution to gross national product, and is growing at a considerably faster rate over the long term than the general economy.

The Makeup of General Aviation

General aviation encompasses the gamut of flying activity other than military and certified air carrier operations, and involves the use of aircraft ranging in sophistication from the familiar Piper Cub to the Boeing 737. The types of uses within general aviation are usually categorized as:

Business Flying – the use of company owned aircraft for the transport of company personnel.

Commercial Flying – passenger, cargo, and mail transport for hire (air taxi), plus crop dusting and other such services.

Instructional Flying – flight training.

Personal Flying – the use of aircraft for personal transportation, sport, etc.

Table 1
Distribution of General Aviation by Uses

Use	Aircraft Employed	Hours Logged
Business	25%	35%
Commercial	12	18
Instructional	12	24
Personal	51	23

Table 1 indicates how the 25 million flight hours logged by general aviation in 1968 were distributed among these categories. Although just more than half of the general aviation fleet is employed in personal usage, more than three-fourths of the flying is devoted to some commercial purpose.

The recent history and Federal Aviation Adminsitration (FAA) forecast of general aviation activity, as measured by flying hours, are displayed in Chart 1.

Business Flying

At last count, 375 of the "Fortune 500" industrial companies owned more than 1,000 business aircraft, and 297 of these companies owned turbine-powered transport aircraft. The pressures that have brought about this acceptance of the airplane as a business tool are perhaps obvious. Department of Commerce statistics demonstrate that 90% of the new plants built in this country since 1954 have been built outside the 22 major hub areas. As a consequence, the percentage of the plants located outside these areas has increased from 33% in 1954 to 50% in 1967. In contrast to this trend, the number of airports served by the scheduled airlines has actually been decreasing in recent years, with the result that air carrier service is becoming evermore funneled into the hub areas. Thus the trend of scheduled air carrier service is running contrary to the expanding requirements of the business community.

The pressure created by the decreasing suitability of air carrier service for business needs is augmented by the rapidly increasing need for mobility of specialists of all types. Whereas the business airplane was once the convenience of the company president, it now serves to transport the many managers, engineers, accountants, and other specialists whose mobility is required to manage the complex organizations and projects of modern business.

Thus modern business demands increased versatility of its transportation system, and scheduled air carrier service is offering less. The gap is being filled by the use of business airplanes. The fleet of such aircraft is growing five times faster than gross national product.

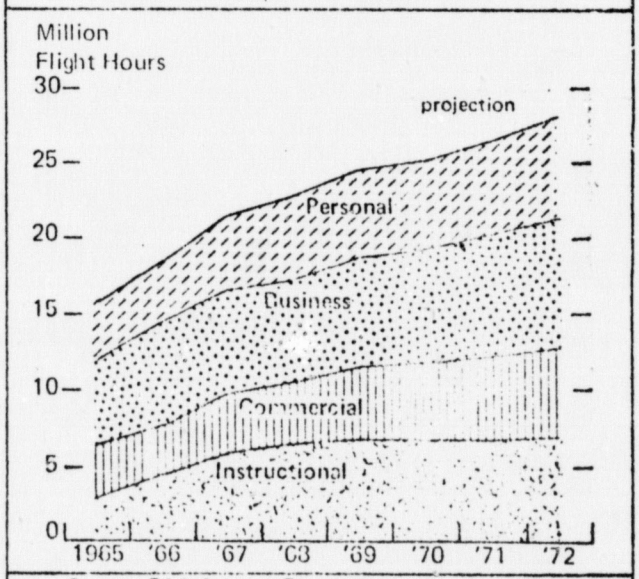
Commercial Flying

The major segment of commercial flying is the air taxi business, which is both growing and changing at a spectacular rate. The demand for such service, of course, derives from the gradual curtailment of scheduled airline service into low-traffic communities and the demand for service to and between communities not served by the airlines at all. The growth of air taxi traffic during the period 1963-68 is illustrated in Table 2. Comparable data have not been compiled for 1969 or 1970, but industry judgment is that growth rates continue to be substantial.

As in any other form of transportation, traffic is attracted by the presence of a schedule and by frequency of service. Therefore, scheduled air taxi operations have developed rapidly in recent years, with the result that they are now referred to as third-level carriers or commuter airlines, and are a significant part of the air transportation system. As is apparent from Table 2 (page 4),

[1] A major hub area is defined by the FAA as a community that generates 1% or more of the nation's scheduled air carrier domestic enplaned passengers.

Chart 1
General Aviation
Flight Hour History and Projection



Source: *FAA Aviation Forecasts*
June fiscal year basis

Table 2
Air Taxi Traffic Growth

1150

Year	Revenue Passenger Miles		Passengers Carried		Million Revenue Cargo Miles
	Million	Increase	Thousand	Connecting With Airlines	
1963	51.0	–	154	41%	0.79
1964	56.9	11%	199	37	0.97
1965	77.8	37	223	45	1.15
1966	106.4	37	328	53	1.89
1967	268.1	170	553	54	10.50
1968	565.1	96	725	59	48.05

Source: National Air Transportation Conferences Release, December 1968

they provide a feeder service to the scheduled airlines. Since this business is not subject to the economic regulations of the Civil Aeronautics Board (CAB), fares, routes, and schedules may be established as the operator sees fit.

Four recent developments have served to provide impetus to the growth of the commuter airline business. These are:

1) The availability of relatively economical "mini-liners", such as the deHavilland "Twin Otter", Cessna "402", Piper "Navajo", and notably the Beech "Model 99".

2) Permission by the Civil Aeronautics Board to substitute air-taxi service for the "mini-routes" served by the scheduled air carriers. Such permission has been granted when it was shown that adequate or improved service could be provided by the scheduled air taxi operations. Many of the commuter airlines have been admitted to the Interline Ticket Agreement whereby thru passage on a trunk airline can be booked through a commuter airline, and vice versa. The substitution has often provided improved frequency of service and thereby generated significantly increased traffic.

3) During 1968-69, the Post Office Department initiated mail-transport contracts with a number of air-taxi operators throughout the United States since, in many cases, air-taxi provides the most efficient means of transporting mail between communities not linked by rail or scheduled airlines.

4) The CAB is in the process of revising its limitations on the types of aircraft that can be operated as air taxis. Whereas the old rules imposed a gross weight limitation of 12,500 pounds, the rules are being changed to remove or increase the gross weight limitation, but to require all new airplanes with 10 or more passenger seats to be certificated to the more demanding transport category requirements. This opens the field to a number of existing light jets and also opens the door to new airplanes designed specifically for this market.

Several of the major commuter airlines that have invested several years and substantial sums of money in route development are thought to be profitable. However, the ease of entry, intense competition, and overly aggressive airplane purchase programs have resulted in many more financial failures than successes during the past two years. The industry appears to be in for a period of retrenchment and will probably not represent a major market for specially designed commuter airplanes for several years, despite expectations to the contrary.

In addition to transportation, commercial flying includes the substantial business of crop dusting and aerial seeding. It is reported, for example, that 63% of all pesticides used by U.S. farmers are applied by air and that more than 90% of the nation's two million acres of rice are planted by air. The airplane is obviously finding frequent use as a farm tool.

Instructional Flying

Instructional flying is the heart of the general aviation industry, and the leveling off of this activity in 1967 (see Chart 1) brings into focus the major problem of the industry: the limited marketing and financial resources of the retail organizations.

To illustrate the significance of instructional flying on the future of the business, industry sources quote the results of a 1962 market survey, and it is believed that these statistics have all increased since then:

1) The average individual who starts flight training will spend $560 each year for five years, then more.

2) Forty-five percent of starting student pilots will go on to get their private licenses.

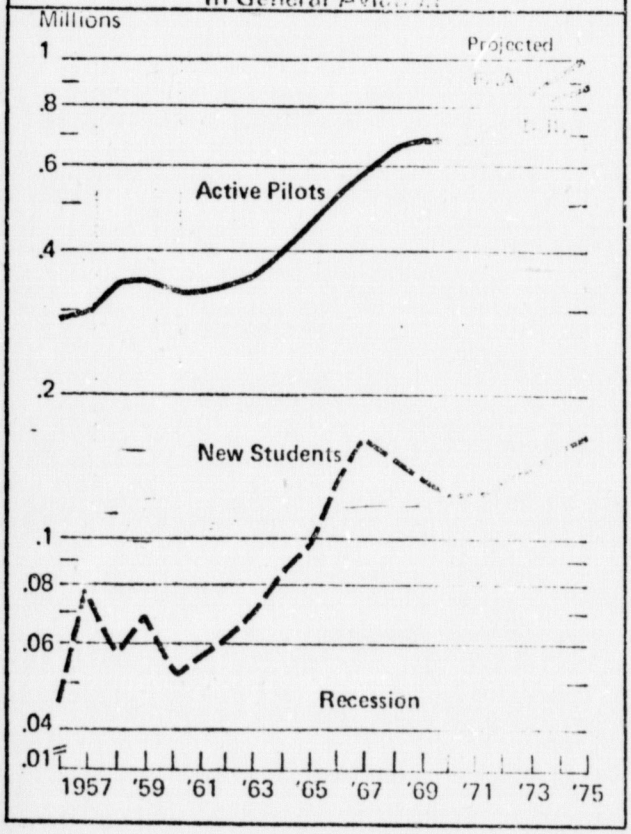
3) Of those who *start*, 14% will evenutally buy an airplane.

4) Five percent of those who start will buy a *new* airplane.

The number of new students learning to fly reached a peak of 160,000 in 1967. The number then declined 6% in 1968, 11% 1968, and was off an additional 5.6% in 1970. (New student starts appear to have bottomed out in the last half of 1970. They were, in fact, up for both November and December 1970.) This history is displayed in Chart 2.

The industry ascribes the recent decline in new student starts to a number of causes, including: (a) clogging of the flight schools by an estimated 20,000 pilots pursuing advanced ratings under a new G.I. bill enacted in 1967; (b) the expanded draft which has removed 20% of the 18-24 year-old men from normal pursuits, an age group that normally contributes 40% of the student pilots; (c) the airways congestion controversy, and (d) the deteriorating economic outlook.

Chart 2
Active Pilots and New Students
In General Aviation



The validity of the first point is attested to by the FAA estimate that instructional flight hours increased slightly in both 1968 and 1969, despite the drop in new students. The gradual reduction in troop commitments to Vietnam this year and next should counter the drain-off of potential pilots of recent years, and indeed may add to the predicted rebound in student starts next year.

The airways congestion problem was most visible in the summer of 1968 when airline traffic bogged down. In fact, the problem is really one for the airlines, which use the air traffic control system 100% of the time and have thereby saturated the system, rather than a problem for general aviation which for the most part avoids the major commercial airports. The problem was substantially abated in 1969 when peak airline schedules were curtailed and general aviation operations limited at the five busiest commercial airports. Indeed, general aviation infrequently used the landing "slots" available under the operations limits at those airports.

In the intermediate term, the airlines are operating in a system (including air traffic control, airport terminal capacity, airport access, et cetera) that is being strained by present traffic. Thus delays due to weather (or air traffic controller slowdowns) "domino" through the entire system. General aviation, for the most part, is less dependent on this system, and thereby provides a flexible and reliable alternative to scheduled airline travel.

Over the longer term, the Airport/Airways Development Act of 1970 makes trust fund monies available for the first time for a coordinated long-term effort to expand and improve all facets of the country's airports and airways. The act specifically provides $30 million per year for the construction and improvement of general aviation airports, and general aviation will further benefit from much larger sums to be spent on the development of major and reliever airports served by the scheduled airlines. It has been estimated that the total impact of this act will be the injection of $15 billion into the national air transportation system over the next 10 years, which is twice as much as was spent for this purpose over the past 20 years.

The very passage of this act, together with changes in control zones at major airports now being effected,

should do much to subdue the controversy that has surrounded the airways congestion problem, and the implementation of the act will provide solutions.

As must every segment of the aviation community, general aviation will contribute funds to this program. The private airplane owner will pay an annual registration fee ($25 per year for smaller airplanes) and an increase in gasoline tax from four cents to seven cents per gallon. These taxes will add less than 5% to the out-of-pocket cost of owning a single-engine airplane, and approximately one-half that percentage to the total cost. These percentages decrease slightly for larger airplanes.

Most of the general aviation community looks favorably on the new Act, considering the new taxes a reasonable price to pay for progress in solving the present inadequacies of the airways and airport system.

Private flying is clearly a highly discretionary activity, and is therefore bound to suffer in a deteriorating economic environment. The impact of the developing inflation over the past four years has been a slowing in the growth of, and finally a reduction in, real disposable personal income. These events have translated into a reduction in discretionary income and increasing worry over the economic outlook. The latter consideration is evidenced by the fact that the Consumer Confidence Index has been declining since November 1965 and the stock market high was recorded in February 1966.

It is our opinion that the current recession will ultimately have the intended effect of reducing the rate of inflation and providing the base for a resumption of real growth in disposable income. This, in turn, should result in an improved economic outlook next year (for the first time in four years) and provide the basis for a resumption, in the growth of discretionary items and activities, including private flying.

The general aviation industry, of course, is keenly aware that new students are the lifeblood of the industry and has undertaken several specific programs aimed at reversing the current trend. In 1969, 55 general aviation companies and organizations—collectively retained a national public relations firm to organize a "Discover Flying" program to promote general aviation. The manufacturers and dealers are participating with "Discover Flying" promotions on national television, in national magazines, and at local dealerships. In conjunction with this program, several manufacturers have delivered trainers painted with the "Discover Flying" colors and logo.

In addition to this joint effort, the aircraft manufacturers are all devoting a major part of their attention to the strengthening of the flight school organizations. This is particularly true of Piper and Cessna, which each have a large number of small dealerships servicing the personal aviation market. Both manufacturers are concentrating on improving the quality of their dealers' flight training curricula. Piper has instituted a "Piper Flite Center" concept in which a standardized training syllabus is offered throughout the dealership system. The idea behind this concept is not only that Piper's dealers will offer a uniformly good-quality training throughout the system, but also that it enables the student to pick up where he left off when moving from one place to another.

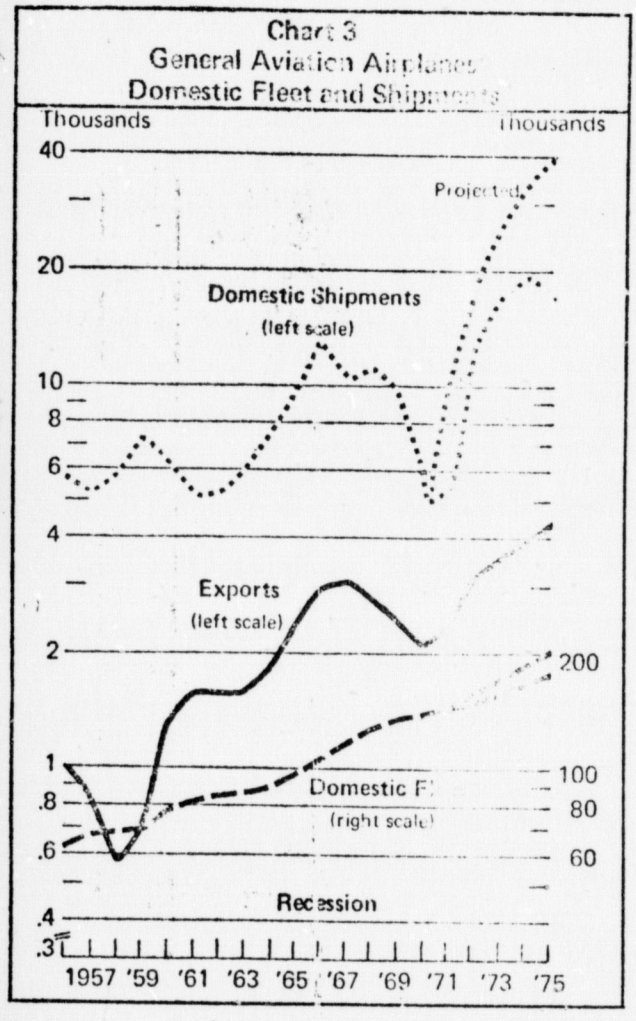
Similarly, Cessna is enfranchising "Cessna Pilot Centers" offering a modern carefully programmed flight instruction curriculum using audio-visual aids to enhance the presentation. The objective of this program is to increase the time and dollar efficiency of basic flight instruction. The program is described in greater detail in a later section.

A final observation with regard to new student starts is that the statistic is not necessarily a leading indicator of new airplane sales, contrary to what one might expect. Examination of the data of Charts 2 and 3 (on page 7) will demonstrate that the statistic is sometimes a lagging indicator of airplane sales. Nevertheless, current data indicate that new student starts may have bottomed out in the last half of 1970 and begun a recovery in the last quarter.

Personal Flying

Approximately half of the general aviation fleet and more than half of the pilots are engaged in the use of airplanes for personal transportation or pleasure. The fleet of personal airplanes has been growing at a compound rate of 10.6% per year since 1963, while the number of student and private pilots has been growing at 13.8% per year. The growth of this segment of general aviation has been fostered not only by increased national affluence, but also by recent significant improvements in the attractiveness, simplicity, and safety of personal aircraft. This is potentially a huge market but it is also the most difficult one to develop with the present retail marketing arrangements. The Discover Flying program and individual company programs are heavily oriented towards this market. Cessna's specific actions are detailed later in this report.

As indicated in Chart 2, the number of active pilots tends to increase relatively steadily, albeit at a reduced



rate during periods of economic uncertainty. (A pilot ceases being active by letting his bi-annual or annual physical expire, and can again become active simply by taking a new physical exam.) The data indicate that not many more than the normal number of pilots became inactive in 1969. Whereas the average retirement rate is 14%, the retirement in 1969 was 16.5%, which is well within the normal variation. Thus despite the controversy over airways congestion and the poor economic outlook, active pilots have largely remained "in the fold". However, it does not appear that they bought airplanes.

GAMA

A development of particular significance to the general aviation industry is the formation in 1970 of the General Aviation Manufacturers' Association. This trade association, made up of all the manufacturers of general aviation aircraft, avionics, and major components, replaces an earlier less effective organization subordinated to the aerospace industry's trade group, and was organized to communicate the general aviation story to the public, the government, and potential users. This activity is receiving the concentrated attention of several of the chief executives of the general aviation airplane companies, and has thus far measurably improved the communication between general aviation and the airlines, promoted the expansion of general aviation training in both junior and full-term colleges, and published a package of information for community leaders on the benefits, design, and financing of community airports. We believe this activity will have a significant impact on the public acceptance of general aviation.

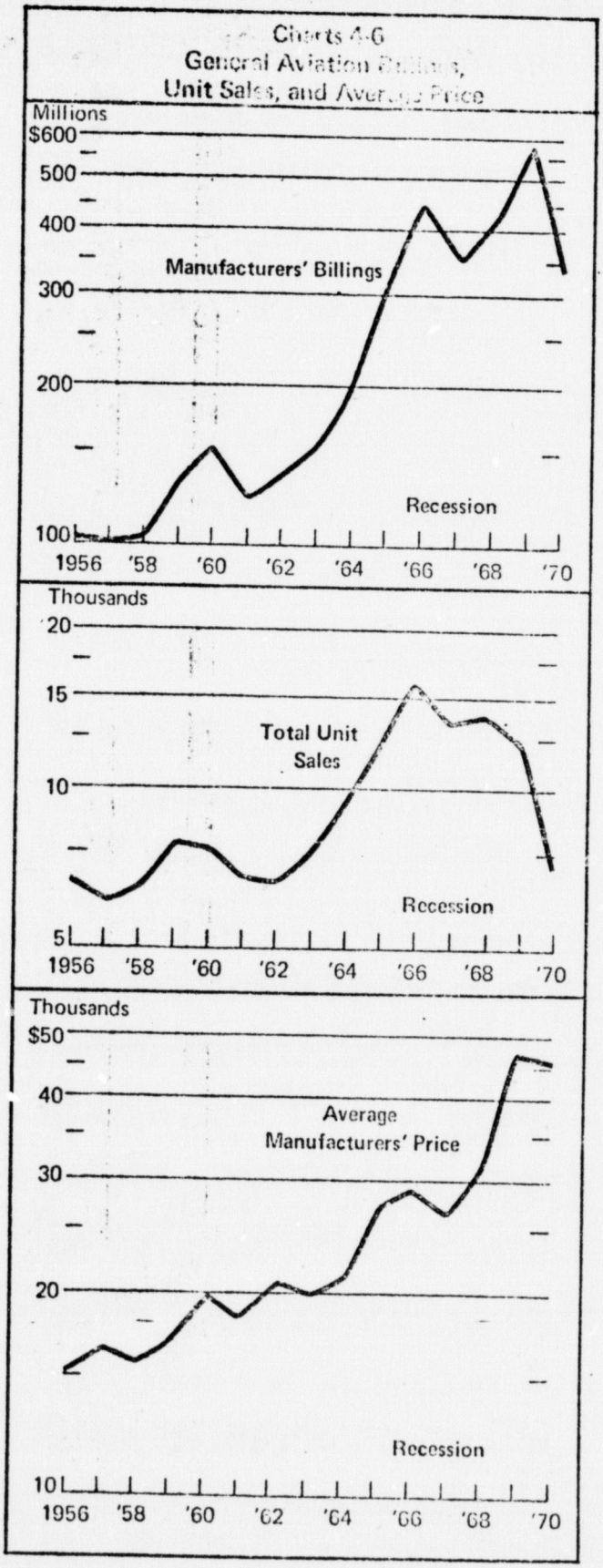
Airplane Sales

Chart 3 presents the history of the general aviation fleet size and new airplane shipments over the past 15 years. The fleet grew at the average rate of 4% per year during the period 1955-64, which period included two recessions. The effect of the recessions was generally to slow the growth in fleet size in the following year by causing a set-back in current sales. Scrappage and retirements, which average 3% of the fleet per year, tend to be lower during recessions and larger immediately thereafter.

Fleet growth during the years 1965-69 averaged 8.6% per year despite a reduction in unit sales in 1967, 1968, and 1969. Scrappage has averaged less than 1% per year during the past three years.

New airplane deliveries are highly erratic, as indicated in Chart 3, but nevertheless exhibit an average growth rate of approximately 8% per year domestically and 11% per year in the export market. While the unit data display the cyclical nature of general aviation airplane sales, they also demonstrate the historical resiliency when the economic environment improves. For example, the number of shipments more than doubled in the two-year period 1955-56, and more than doubled again in the four-year period 1963-66.

Manufacturers' billings have been expanding more rapidly than unit sales as the average airplane price has increased. This history is displayed in Charts 4-6 (page 8). While single-engine airplanes consistently make up 85% of unit deliveries, the tops of both the single-engine and multi-engine product lines have expanded to include more sophisticated and expensive equipment. The very rapid increase in average price in 1968-69 was largely the result of accelerated deliveries of turbine-powered airplanes. As a



result of the trend toward more sophisticated airplanes at the top of the product lines, manufacturers' billings have grown at the average rate of 17.5% per year, compared to the 9% average growth rate for unit sales.

Projections for Early 1970's

Charts 2 and 3, taken together, illustrate several reasons for the historical resiliency in general aviation airplane sales, and give some clues as to the potential magnitude of the rebound that might be expected upon recovery from the current recession. The data upon which these charts, including the projections, are based are tabulated in Tables 3 and 4 on pages 9 and 10 respectively.

The data of Table 3 demonstrate that the number of active pilots per active airplane has been increasing steadily from a low of 4.1 in 1962 to 5.3 in 1968. The ratio decreased slightly in 1969 as a slightly larger than normal number of licensed pilots allowed their physicals to expire. The same phenomenon has occurred in previous recessions, only to be followed by a lower than average retirement rate as non-active pilots renewed their physical certificates and again entered the active rolls.

Our projections for the number of active pilots during the period 1970-74 is based on assumed enrollment of new students and assumptions as to the retirement rate over the period. We have assumed that, after several years of decline, new student starts and retirements will both stabilize in 1971, prior to the beginning of a recovery in the following years.

Looking past the current recession and in concert with our expectation of a resumption in real growth of disposable personal income, we project a resumption in the growth of new student starts at a rate of 8% per year. This rate is equal to the average over the past 15 years, and is thus substantially lower than the typical rate during periods of expansion. This assumption is intended to be conservative. We have also assumed a one-year "spring-back" in retirements as licensed pilots who have let their physical examination certificates lapse during the recession have them renewed, followed by an average retirement rate of 14% per year.

These assumptions lead to the lower projection for the general aviation pilot population presented in Chart 2.

1155

Table 3
Pilot Population History and Projection

Year	Pilot Population	New Students	Retirements		Pilots per Airplane
			Number	% of Population	
1956	286,000	45,000	95,900	28.5%	4.62
1957	294,100	76,900	68,800	24.1	4.42
1958	337,100	58,100	15,100	5.1	4.97
1959	341,400	67,600	63,300	18.8	4.97
1960	328,000	51,500	64,900	19.0	4.28
1961	331,300	57,200	53,900	16.4	4.11
1962	341,300	60,600	50,600	15.3	4.06
1963	353,800	69,100	56,600	16.6	4.16
1964	404,800	84,600	33,600	9.5	4.56
1965	452,200	94,600	47,200	11.7	4.74
1966	519,100	129,200	62,300	13.8	4.96
1967	584,700	159,400	93,800	18.1	5.11
1968	655,600	149,400	78,500	13.4	5.28
1969	681,700	132,900	106,800	16.3	5.13
Average				14.2%	
1970E	667,400	122,000	136,300	20.0%	4.85
1971E	696,000	122,000	93,400	14.0	4.90
1972E	758,400	132,000	69,600	10.0	5.05
1973E	810,200	142,800	91,000	12.0	5.07
1974E	851,300	154,500	113,400	14.0	5.03
1975E	899,300	167,200	119,200	14.0	5.00

The upper projection is that of the FAA, and as will be seen presently, the apparently small difference can have a powerful influence on the potential for new airplane sales.

Table 3 illustrates the cyclical nature of airplane retirement, or scrappage; it demonstrates that scrappage is usually low during recessions and tends to spring back to correct deferred retirements during recoveries. Thus the growth of fleet size is more stable than new airplane shipments. The same data also indicate that the past three years, which have been marked by inflation, fears of recession, and two actual set-backs, have been years of unusually low airplane retirement rates as well as declining new airplane sales.

Our projection for the recovery is patterned after the recoveries from previous recessions. We expect a continuation of the unusually deep dip in new airplane sales this year and a continuation of the recent history of low retirement rates. Upon an economic recovery, however, we project a very strong rebound in new airplane sales, fueled mainly by the correction of four years of deferred purchases and deferred retirements, but also sustained by a growing pilot population and growing exports.

As demonstrated in Chart 3, exports have been growing more rapidly than domestic sales. Foreign markets for business airplanes are clearly less developed than the domestic markets, and sales to those markets are dominated by American-built airplanes. It is estimated that 85% of the Free World's general aviation fleet is made up of American-built aircraft. Quality, price, and service have all been significant factors in achieving such a strong position. General aviation exports, particularly to Europe, are apparently buoyed by the recurring airliner hijackings and bombings stemming from the Middle-East tensions.

While one can imagine a rebound in personal airplane sales following a period of deferral, one might question, whether business airplane sales are likely to exhibit a similar resurgence. It is commonplace to classify a business airplane as a deferrable capital item whose purchase might be postponed in favor of more pressing capital needs. This certainly has proven to be true in the early stages of a recession. But typically upon recovery from a recession, the businessman's rationale for cutting back on capital expenditures is that present plant and equipment are under-utilized and capital appropriations in that category are inappropriate. The major emphasis at such a time is on "hustling" for sales and deliveries, and

1156

Table 4
Unit Sales History and Projection

Year	Fleet Size	Domestic Shipments	Domestic "Scrappage"	Percent of Fleet	Exports	Total Shipments
1956	61,900	5,738	2,635	4.5%	1,000	6,738
1957	66,500	5,231	631	1.0	887	6,118
1958	67,800	5,839	4,539	6.7	575	6,414
1959	68,700	7,022	6,122	9.0	667	7,689
1960	76,600	6,305	-1,595	-2.3	1,283	7,588
1961	80,600	5,197	1,197	1.6	1,581	6,718
1962	84,100	5,239	1,739	2.2	1,548	6,697
1963	85,000	5,990	4,990	5.9	1,579	7,569
1964	88,700	7,561	3,961	4.6	1,775	9,336
1965	95,400	9,526	2,826	3.2	2,326	11,852
1966	104,700	12,802	3,506	3.7	2,966	15,768
1967	114,400	10,451	751	0.7	3,036	13,487
1068	124,200	10,891	1,091	1.0	2,807	13,698
1969	133,000	9,995	1,195	1.0	2,462	12,457
Average				3.1%		
1970E	137,500	5,113A	613	0.5%	2,170A	7,283A
1971E	142,000	5,300	800	0.6	2,300	7,600
1972E	150,200	12,500	4,300	3.0	3,080	15,580
1973E	159,800	17,180	7,580	5.0	3,420	20,600
1974E	169,200	19,000	9,590	6.0	3,800	22,800
1975E	180,000	17,570	6,770	4.0	4,230	21,800

the business airplane is gaining recognition as a tool for improving efficiency and mobility in these areas. Thus in an inflation-recession-recovery cycle such as we are presently experiencing, business airplane purchases might move out of phase with capital expenditures as a whole. The average manufacturer's price data of Charts 4-6 indicate that the top of the product line usually recovers more rapidly than the rest of the line after an economic setback, and as will be demonstrated later, this resiliency has been particularly prominent in Cessna's case.

The lower boundary of our projection is based on our estimate for the pilot population over the period 1970-75, and the estimate is, as stated above, dominated by the correction of the deferrals of the past four years. On the other hand, were the number of pilots to grow as projected by the FAA, and were the ratio of pilots per airplane to remain at 5:1 (an historically high ratio), the resulting new airplane shipments would be as indicated by the upper boundary of the projection in Chart 3. A similar result would be achieved by a gradual increase in the number of airplanes per pilot, which the data in Table 3 would indicate to be a reasonable possibility.

Thus, following the pattern of recoveries from past recessions, we project a strong rebound in general aviation sales beginning next year followed by a resumption of the strong growth trends that typically prevail during periods of real economic growth. The magnitude of the rebound described in Table 4 and Chart 3 should be thought of as a potential developed from the correction of deferred purchases and scrappage. In our earnings estimates for Cessna set forth in the following section, we have used more modest assumptions, specifically that shipments will recover to 1969 levels in 1972, rather than to 1966 levels as indicated in Table 4.

1157

Cessna Aircraft Company

Company Background

The Cessna Aircraft Company was founded in 1927 by Clyde Cessna, one of the early designers of "flying machines". Under the direction of Chairman Dwane Wallace since the mid-1930's, the company has grown to be the largest manufacturer in the general aviation industry both in terms of units delivered and revenues.

Prior to the early 1960's, Cessna had traditionally been oriented to the single-engine airplane market, which it shared primarily with Piper. The company started introducing light twin-engine airplanes in the 1950's and commanded 20% of that market in 1961, which made it the third largest producer of light twins at that time. Since 1961, the company's penetration of the light twin market has increased to 35%, so that it is now the leader in both the single and twin-engine markets. Cessna airplanes comprise 40% of the total licensed fleet.

Military business accounted for 29% of sales, or $65 million in 1970, down from the peak of $74 million recorded in 1969. The major contributor to these sales is the T-37/A-37 series of light jet trainer and attack aircraft, of which almost 1500 have been delivered. These sales are supplemented by the delivery of military versions of several of the company's commercial airplanes.

The Industrial Products Division manufactures fluid power systems for farm and industrial equipment manufacturers. This activity accounted for $39 million, or 17% of 1970 sales.

Cessna manufactures a large proportion of its product itself. The principal purchased components are engines, tires, flight instruments, and brakes. The aircraft themselves are fabricated in and around Wichita, Kansas. Propellers for Cessna's as well as other manufacturers' aircraft are manufactured by the wholly-owned McCauley Industrial Corporation in Dayton, Ohio. Aircraft radio equipment is manufactured by the wholly-owned Aircraft Radio Corporation in Boonton, New Jersey, and its products too are marketed to the entire industry. The headquarters and marketing division are located in Wichita.

An associate company, Reims Aviation S.A. of Reims, France, is the largest producer of general aviation aircraft in Europe. It manufactures several models of the Cessna product line, which in turn are marketed by a Cessna-owned distributorship.

Table 5
Distribution of 1969 Shipments

Product Group	Units	Billings
Trainers (Model 150)	31%	12%
Personal, Single-Engine	53	38
Light Twins	7	15
Medium Twins	7	33
Agricultural	2	2
Total Units and Billings	5,887	$146 million

Products

General Aviation

Cessna's general aviation product line consists of 38 models ranging from the $8,850 two-place "Model 150" to the supercharged and pressurized "Cessna 421" executive twin, priced at $187,500. The distribution of 1969 deliveries among the five product groups is displayed in Table 5. (The 1969 data are presented as more typical than 1970's, in which year single engine airplane sales were severely depressed.)

While twin-engine airplanes account for only 14% of the units shipped, they contribute 48% to billings. The expansion of the top of the product line has been a major factor in sales growth, as demonstrated in Table 6 (page 12).

The company introduces model changes each year, patterned after the practice of the automobile industry. Improvements such as bigger engines, supercharging, pressurization, and "stretching" are introduced frequently, with the result that Cessna now offers a product line of 38 models. This expansion of the product line has been a major factor in achieving growth, inasmuch as the sales of a given model often tend to level off several years after introduction.

The "Cessna 150" at $8,850 is the least expensive modern trainer on the market. It was introduced in 1958, and sales averaged less than 400 units per year until 1964 when deliveries reached 804 units and then doubled again in each of the next two years. As can be seen in Table 5, this aircraft accounts for a significant percentage of Cessna's unit and dollar sales.

The four-place single-engine airplane has been the cornerstone of Cessna's business over the years. Its "170"

Table 6
Cessna General Aviation Airplane Sales History
(Calendar year)

1158

Item	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
Units Delivered	2746	3124	3456	4188	5629	8166	6233	6578	5887	3730
Twin Engines	204	233	328	324	707	801	683	794	785	460
Single Engine	2542	2891	3128	3864	4922	7365	5550	5784	5102	3270
Billings ($ millions)	$42.3	$50.2	$55.7	$66.8	$97.2	$128.8	$116.6	$143.0	$145.6	$ 97.2
Average Price ($ thousands)	$15.4	$16.1	$16.1	$16.0	$17.3	$ 15.8	$ 18.7	$ 21.8	$ 24.7	$ 26.1

and "180" series of airplanes, manufactured since 1948 and 1953 respectively, undergo annual improvement and restyling. Of units delivered in 1969, 53% were in this category. Despite substantial competition from the Beech "Musketeer", the Piper "Cherokee", and several others, Cessna delivers approximately half of the airplanes in this category.

An innovation that has met with substantial success is the Cessna "Skymaster" design introduced in 1963. This design features two engines, both located on the center-line of the airplane: one engine is located forward and drives a normal tractor propeller while the other engine is located aft of the cabin and drives a pusher propeller. The merit of the design is that it does away with the control problems introduced by single-engine failure in conventional twin-engine designs, and thereby lowers the proficiency required for multi-engine pilots. This innovation has made twin-engine flying practical (ignoring cost) for many non-professional pilots. More than 1300 of these airplanes have been sold commercially and a military version is being delivered to the U.S. Air Force for forward area controller applications.

The top of Cessna's line is the "Model 421", a pressurized seven-place, 275 mile-per-hour airplane. This model is competitive with the Beech "Duke" and outclasses Piper's top model.

Cessna has not created a design specifically for the commuter airliner market, largely because the company did not consider the market to be mature enough to warrant a new design. (The "Beech 99" seems to have quickly saturated this market and the Piper "Pocono" program has been abandoned.) Cessna rather concluded that its 6-10 passenger "400" series airplanes would find substantial use in this market, and instead applied its resources to being the first of the three general aviation companies to step into the business jet market.

The company's avionics, spare parts, and equipment business amounted to approximately $13 million in 1970, or 11% of the general aviation dollar sales. This continuing and increasingly important business is related directly to the dominance of Cessna airplanes in the general aviation fleet. Cessna has expanded and restyled the avionics product line with the objective of dramatically increasing the market penetration of "Cessna Crafted" avionics.

"Citation" Business Jet Program

In mid-1968, Cessna announced its entry into the business jet market with the eight-place (six-passenger) "Citation". Cessna's basis for entering this market is the assessment that there is a substantial market for a jet airplane whose performance and cost lie between that of current propeller airplanes and existing high-performance business jets, such as the Learjet. This assessment was derived from a market research project in which 3,000 companies were queried by an independent research organization as to the need for and desirable characteristics of such an airplane.

The study confirmed the need for short-field performance. As we stated earlier in the general discussion, the great majority of new plants are being built outside the hub areas, in communities not served by major airports. In order to serve these communities, the airplane must be able to operate from 3500-foot runways.

It was determined that most business trips are no more than several hundred miles in length, which de-emphasises the need for high altitude and high-speed performance, and places a premium on low-altitude cruising efficiency. These factors, taken together, led to a design with a high-lift wing (for good takeoff and landing performance) and turbo-fan engines. The result is a relatively "docile" airplane to which a company pilot could make a relatively easy transition (compared, for example, with an airplane with the characteristics of a jet fighter). Cabin size was also derived from the research project.

The survey estimated that the market for aircraft in the Citation class approximates 1000 aircraft in the 1970's. To place these numbers in perspective, it is

estimated that over 1,000 turbine-powered airplanes entered the general aviation fleet in the two years, 1968 and 1969. Learjet models, plus later entries by Pan Am and Beech, will clearly detract from Cessna's penetration of this market, but the short field length and docile handling qualities of the Citation will assure a respectable share for Cessna.

The Citation program is being directed by James B. Taylor who managed the highly successful "Fanjet Falcon" program at Pan Am. A Commercial Jet Marketing Division has been formed to sell the Citation on a direct company-to-customer basis, and a staff and facilities are being assembled. Initial deliveries are scheduled for the fall of 1971.

The program is on schedule and the aircraft is exceeding its predicted performance. Two prototypes have accumulated more than 700 hours since the first flight in September 1969. The airplane is smokeless and quiet. The test results have permitted lowering the quoted field length from 4020 feet to 2950 feet at maximum gross weight. Furthermore, the flying qualities are reported to meet the objective of permitting an easy transition of pilots from a company's propeller airplanes to a business jet. Thus the key performance parameters in Cessna's marketing strategy are being met.

Another result of the design concept is a relatively inexpensive airplane. The quoted price is $695,000 fully equipped, compared with approximately $550,000 for the 150 mile-per-hour slower turboprop Beech "King Air". The Citation price includes both warranty and jet transition training for two pilots, which will be conducted by American Airlines at its Flight Training Academy at Fort Worth.

Research, development, and sales costs are being expensed as incurred, and therefore, as far as future earnings are concerned, represent no exposure. Tooling costs, which we estimate will approximate $8 million, are being deferred and will be written off over a block of aircraft to be determined when deliveries commence.

The company reports that it has "a handful" of firm orders for the Citation, all unsolicited. The company has made no attempt to sign up firm orders as yet, and does not plan to do so until flight demonstrators are available in April 1971. Tooling is being fabricated to accomodate a production rate of eight aircraft per month, although initial production rates are currently planned at five per month in 1972. The company has the flexibility to vary production rates to match sale prospects without a substantial impact on unit costs.

When Cessna delivers its first Citation in fall 1971, the company will have to pick a block of aircraft over which to amortize the tooling and production costs. In the improved economic outlook that we anticipate at that time, we expect that the company will have a high level of confidence in selling at least the number of units required to break even from a reporting point of view, which number we estimate would fall in the range of 100-150 aircraft, and therefore will be able to report a profit contribution from the Citation program in 1972.

Defense Business

As stated earlier, defense business accounted for approximately 29% of 1970 sales, or $65 million. The bulk of these sales are associated with the T-37 jet trainer and A-37 attack airplanes for the U.S. Air Force, almost 1500 of which have been delivered. An Air Force version of the "Skymaster", designated the O-2A, is being delivered for use as a forward air control aircraft, directing jet fighter attacks in southeast Asia. The company is also engaged in subcontract work for McDonnell-Douglas and the Bell Helicopter Division.

Management's objectives in seeking military business are to obtain military sales for proprietary products and maintain a high level of technological competences. It has been quite successful in pursuing this course. For example, the jet experience gained in the T-37/A-37 program is directly applicable to the "Citation" program, and will facilitate the development of that aircraft.

Military business is expected to be down sharply in 1971 and beyond, as the deliveries of A-37's are curtailed. The backlog of firm defense orders declined from $75 million to $29 million through the fiscal year.

Fluid Power Division

This division, with 1970 sales of $39 million, or 17% of the company's total sales, is engaged in the manufacture of hydraulic systems for farm and industrial equipment manufacturers. It has been investing significant funds in the development of new concepts and applications for hydraulic systems. This has led, as an example, to the use of hydraulic pumps in computer disk reading mechanisms. A subsidiary in Scotland manufactures similar products for European markets.

Export Business

Cessna's export sales in 1970 reached a record of $49 million. As noted in the general discussion earlier, the foreign market is dominated by U.S. exports. The

industry views the "emerging nations" as a huge and largely untapped market in which airplanes provide the most economical transportation link between remote areas.

Five single-engine and two multi-engine models of Cessna airplanes are manufactured in Europe by Reims Aviation S. A., a Cessna affiliate, which is the largest European producer of general aviation aircraft.

Facilities

Cessna invested almost $30 million in new plant and equipment during 1967-69. This program brought the total manufacturing and office floor space to over three million square feet. All domestic airplane fabrication is performed in the Wichita area, with the high volume "Cessna 150" production accomplished in a separate new facility erected for that purpose. Production lines are modern and efficient with adequate room for expansion. The company does not anticipate further major facility expansion in the early 1970's.

Marketing Organization

Cessna's marketing organization is staffed by approximately 430 people. The commercial airplane product line is distributed through 15 geographic zones and 800 retail dealerships worldwide. Dealerships vary substantially in size and product line. Whereas almost all of the dealers sell the "Model 150", only about 25% market the twin-engine models.

Cessna's management recognizes the scope of the overall retail problems of the general aviation industry and has set itself the task of identifying and developing solutions for every restraint to the development of the company's markets. A five-year plan, encompassing all divisions of the company, has been developed with specific approaches stated and sales forecasts and budgets delineated.

The company believes its general aviation opportunities lie in five separate markets, each with its own product line, problems, and marketing plan. These markets, and some of Cessna's market development ideas, follow.

"Learn-to-Fly" This pivotal market is being developed by Cessna's new "Cessna Pilot Center" program, which features a standardized curriculum designed to improve the efficiency of basic flight training. The curriculum incorporates modern audio-visual instructional techniques, including student response devices and coordinated chart book and tape-cassette packages for home instruction. A nationwide network of such centers are now being enfranchised.

Approximately 60% of all new students take their instruction in Cessna airplanes.

Personal Flying Market Demand in this market represents a step upward from the "Learn-to Fly" programs. Cessna offers competitive new products, and maintains a price advantage.

Utility Market Cessna's product line of "stretched" and "quick change" models constitutes a more versatile fleet than offered by any other manufacturer. For example, the 10-place "Model 402" twin offers double doors and quickly removable passenger seats for cargo operations.

Business Market Cessna is in head-on competition with Beech in this market. Beech has the broader product line because of its turboprop "King Air", but Cessna will overstep the "King Air" with the "Citation" in 1972. Cessna also offers the lowest cost pressurized twin-engine airplane.

Parts and Accessories Parts volume is created by Cessna's fleet dominance. Also, Cessna is the only company to make its own radios and propellers.

The company sells its products to its distributors, of course, but it also maintains three regional offices through which it provides training programs in salesmanship, business management, market opportunities, et cetera. These programs are available to the entire sales organization.

One is impressed with the scope and imaginativeness of Cessna's marketing ideas. The company views the industry as just entering the marketing phase of its development, having come through the invention and manufacturing phases, and is confident of its ability to exceed its goal of doubling each portion of its business within the next five years.

Sales and Earnings History

Cessna's sales increased 130% over the period 1963-68, an average compound rate of 18% per year. The company has maintained its percentage participation in the market despite the entry of high-revenue jet programs such as the Learjet, North American "Sabreliner", and the Lockheed "Jet Star". Its performance, in terms of units delivered, of

course, has outpaced the industry. Pretax earnings per share rose 100% over this period, corresponding to an average compound rate of 15% per year. These results were achieved over a five-year span that included two economic and general aviation industry setbacks, 1967 and 1969.

The year 1970 will be recorded as one of the worst setbacks in the history of general aviation airplane sales. Beech's sales for the fiscal year were off 20% and the company recorded a loss of $3 million in the period. Piper's sales were off 38% in the year and several plants have been closed temporarily to facilitate a working down of inventories.

In fiscal 1970, Cessna's general aviation airplane sales were off approximately 27% from 1969 levels, with the comparisons deteriorating through the year. To a significant extent, the reduction in shipments earlier in the year reflected a working down of distributor inventories. Such inventories in January 1970 were the equivalent to 70 days supply, were reduced to 45 days supply by the end of March, and remained at that level through the rest of the year.

The quarter ended June 30 is normally the peak seasonal quarter. This year Cessna elected not to expand production during the quarter so as not to risk a build-up in inventories. Indeed a seasonal peaking of demand failed to materialize at retail, indicating that the market is continuing to soften, and proving the wisdom of Cessna's inventory management strategy.

At the retail level, Cessna seems to have fared substantially better than the rest of the industry. Whereas new student starts for the industry were off 11% in 1969, new students enrolled by Cessna dealers were up approximately 6%. Cessna's new student starts were down slightly in 1970, but again not to the same extent as the rest of the industry. As a consequence, retail sales of trainers were off less than other models.

Single-engine personal airplanes, which are clearly the most discretionary segment of Cessna's product line, were off substantially and accounted for the majority of the reduction in total billings. For the reasons stated earlier, we expect this to be the most resilient sector of the business in an economic turnaround.

The multi-engine market was the last to soften for Cessna, probably because the company's product line offers several low-cost alternatives to business jets and turbo-prop airplanes. Cessna dealers noted some "stepping down" earlier in the year. But as capital funds became scarce and corporate profits deteriorated, Cessna's multi-engine business declined too. The company is now promoting the concept of leasing as a means of overcoming the "cash squeeze". Several computer leasing firms, for example, are currently looking into this market.

Sales of multi-engine airplanes in Europe were reported to be ahead of last year. European demand has apparently been enhanced by the series of airline bombings and hijackings deriving from the Arab-Israeli confrontation.

At the outset of 1970, the company made substantial cutbacks in production plans, capital spending, work force, and overhead in anticipation of a slow year. That these actions have been effective is evidenced by the increase in pretax margins from 9.2% in the first quarter to 10.2% in the second and to 10.3% in the third, despite a 13% reduction in sales over the nine-month period.

Financial performance data for the five-year period 1966-70 is presented in Table 7, and the balance sheet at the end of fiscal 1970 is provided in Table 8 on page 16. Despite a 20% setback in sales, the company was able to maintain an 8.3% margin before taxes. At the same time, total debt was reduced by $6.4 million, the current ratio improved 20% to 4.44:1, and the quick ratio improved 10% to 1.34:1. The company arranged a $13 million line of credit, of which approximately $2 million has been taken down.

The dividend was reduced in the fourth quarter from an annual rate of $0.80 to $0.60 per share, as part of the program to keep the company's operation geared to current depressed business levels.

We believe that the performance described above provides several concrete examples of Cessna's superior marketing and management skills. In a year that has resulted in major financial setbacks for its competitors, Cessna has been able to continue to develop its "Learn-to-Fly" market, increase its market share throughout its product line, successfully introduce several new models, and preserve a reasonable earnings level. The same skills should result in above-average performance in the recovery.

Cessna's major labor contract (IAM) was renewed in June 1970. The same union struck Beech Aircraft a year earlier for the first time in that company's history, and gained a wage increase of greater than 10% per year for three years. Cessna, however, was able to settle in 1970 on the basis of a reported 20% wage increase over a three-year period, or an average of 6.3% per year. This settlement was apparently made possible by the very weak labor market in Wichita as a result of substantial

Table 7
Five-Year Performance Summary* 1162
($ thousand)

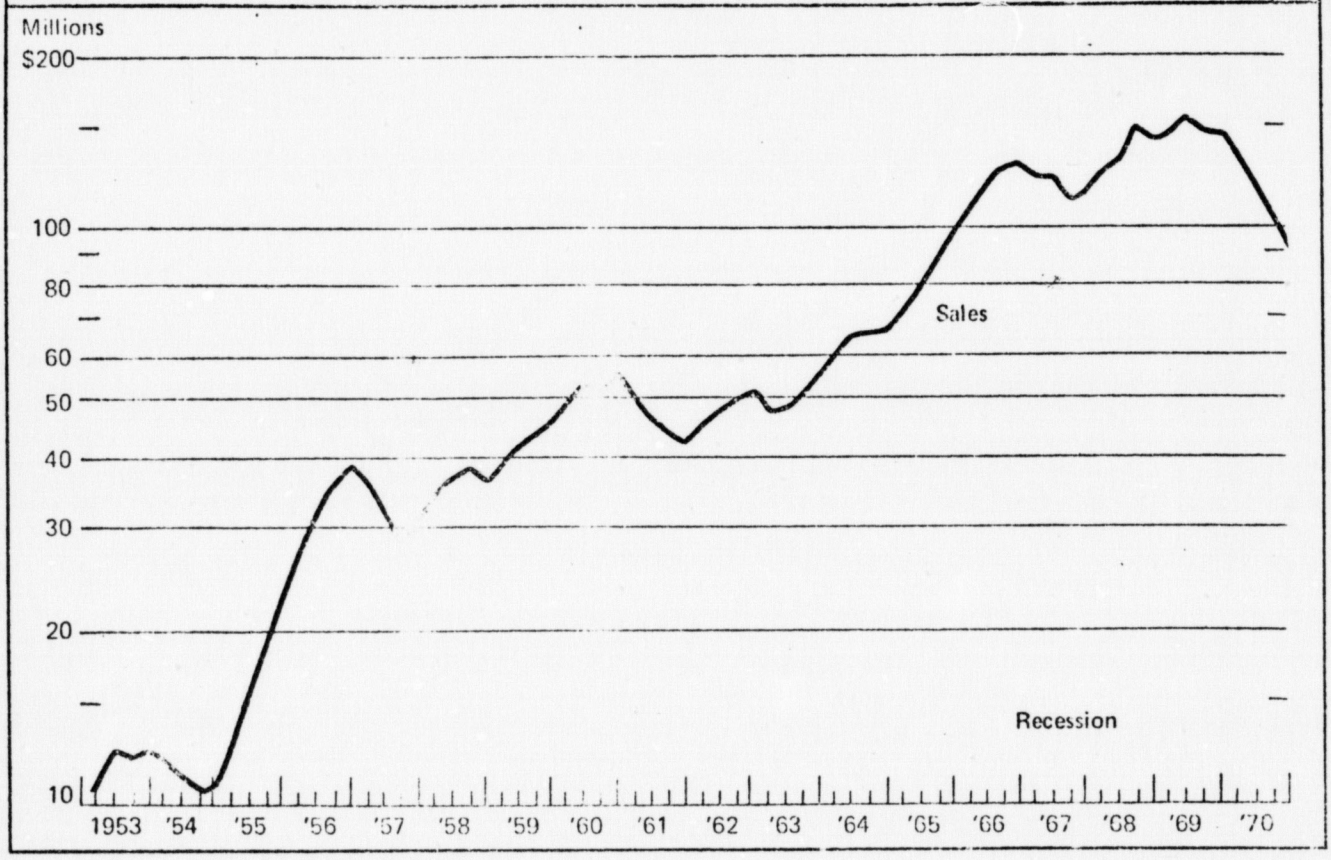
Item	1966	1967	1968	1969	1970
Sales and Earnings					
Sales	$202,136	$213,615	$264,326	$282,981	$227,108
Income before Fed. Inc. Tax	26,207	20,186	26,328	31,673	18,776
Profit Margin	13.0%	9.5%	10.0%	11.2%	8.3%
After-Tax Income	$ 13,873	$ 10,767	$ 12,813	$ 15,223	$ 9,261
Profit Margin	6.9%	5.0%	4.8%	5.4%	4.1%
Return on Capital	15.2%	8.5%	9.4%	11.4%	6.4%
Capitalization					
Long-Term Debt	$ 26,352	$ 55,680	$ 56,377	$ 55,695	$ 52,797
Stockholder Equity	64,784	71,097	79,351	87,614	90,424
Per Share Data					
Earnings					
As reported	$ 1.82	$ 1.33	$ 1.81	$ 2.15	$ 1.31
Fully Diluted	--	--	$ 1.68	$ 1.99	$ 1.24
Dividends	0.64	0.67	0.67	0.71	0.79
Equity per Share	9.09	9.75	10.90	12.34	12.85

* Per share data changed to reflect 2:1 stock split effective March 4, 1969, 5% stock dividend January 7, 1970.

Table 8
Balance Sheet as of September 30, 1970
($ million)

Assets		Liabilities and Equity	
Current Assets		Current Liabilities	
Cash	$ 4.0	Notes Payable	$ 2.0
Commercial Paper	9.2	Accounts Payable	8.8
Receivables	19.7	Federal Income Tax	1.6
Total Liquid Assets	$ 32.9	Accruals	9.7
Inventories	75.2	Long-Term Debt Due	2.4
Prepaid Expenses	0.5	Total	$ 24.5
Total Current Assets	$108.6		
Investments & Other Assets		Defferred Federal Income Tax	0.9
Finance Subsidiaries	$ 21.9		
Foreign Affiliates, at Cost	0.5	Long-Term Debt	$52.8
Long-Term Trade Notes	0.4	Total Liabilities	$78.2
Total	$ 22.9		
Property, Plant & Equipment	$ 66.9	Shareholder Equity	
Less Depreciation	38.4	Common Stock	7.0
Total	$ 28.5	Paid-in Surplus	11.1
Deferred Charges		Retained Earnings	72.3
Tooling	$ 8.3	Total Equity	$90.4
Debt Expense	0.3		
Total	$ 8.6		
Total Assets	$168.6	Total Liabilities and Equity	$168.6

Chart 7
Cessna's Commercial Aircraft Sales



layoffs at Boeing, Beech, and Cessna. We estimate that the annual rate of wage increases agreed to in the settlement is approximately comparable to those under which the company has operated during the past three years.

A strike at Cessna's McCauley Division was just concluded at the time of this writing. The strike had threatened to curtail production throughout the airplane assembly lines. Its resolution avoids a margin problem in current quarters.

Sales and Earnings Projections

Historically, Cessna's sales have been not only cyclical but also highly resilient following past recessions. (See Chart 7.) Revenue growth has exceeded unit sales growth as the upper end of the product line (mainly light twin-engine business airplanes) has been expanded. In addition, except for instances of inventory adjustments, the company's sales have responded promptly to an economic recovery. Sales growth, for example, averaged 25% per year during the period 1962-66. As indicated in Chart 8, earnings growth averaged 21% per year during the same period, and 35% during the intermediate period 1963-65. Charts 7 and 8 also show that sales and earnings growth have been effectively stymied by the deteriorating economic outlook since 1966.

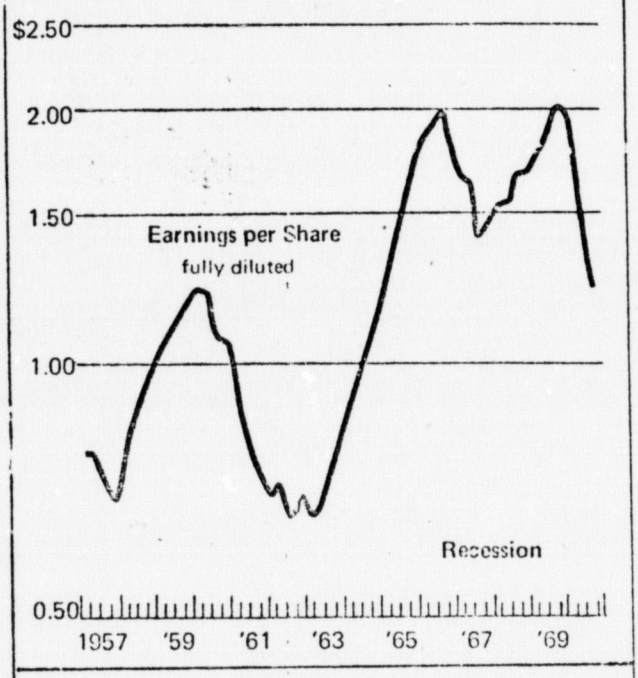
Sales and earnings projections for 1971 and 1972 are set forth in Table 9 on Page 19. We have assumed that general aviation sales in 1971 will be approximately the same as in 1970 and that the timing of the recovery will coincide with the outset of fiscal 1972. These assumptions are intended to be conservative as to the timing of the recovery.

Our estimate for Cessna's general aviation sales for 1972 was constructed by assuming that the industry will deliver 12,300 airplanes in that year, approximately equal to 1969 shipments. As described above, this rebound while substantial, is more modest than might be inferred from the pent-up demand.

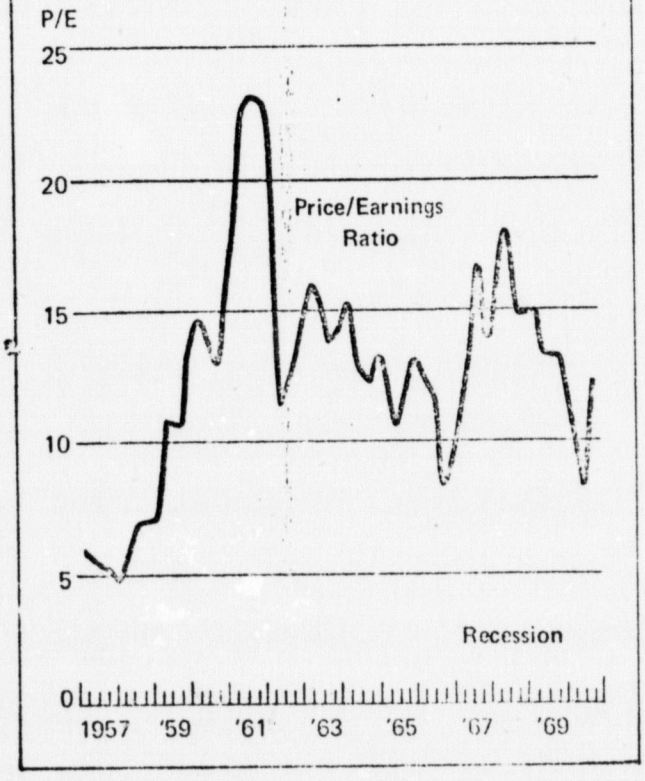
We have further assumed that Cessna's share of the single-engine airplane market would be 47% as in 1969

Charts 8-9
Cessna Aircraft Company

Earnings per Share



Price/Earnings Ratio



(Cessna's market share was 51% in 1970). We have further assumed that, compared to the very depressed 1970 levels, medium twin deliveries would be up 35%, trainer deliveries up 50%, and the other models up 55%. Earnings contributions are based on a schedule of margins which are greater for the top of the line than for the lower priced trainers and single engine planes. We have also assumed the sale of 50 citation business jets in 1972, 20% fewer than planned by the company.

These assumptions result in unit deliveries in the first year of the projected recovery, equal to 80% of the average deliveries in the five years 1965-1969, the last three years of which period were depressed years for the general aviation industry. The resulting $185 million airplane sales estimate is comparable to that recorded in fiscal 1969, except for the added sales of the Citation.

The growing accessories and spare parts business derives from Cessna's command of more than 40% of the general aviation airplane fleet.

The reduction in military sales reflects the phasing out of the T-37 jet trainer of which almost 1500 have been delivered. The remaining business consists primarily of A-37 attack fighters for foreign countries, plus a number of subcontract jobs. We believe such sales are likely to continue to decline beyond 1971, but the expectation is that they will be more than replaced by sales of the Citation business jet, commencing late in calendar 1971.

Fluid power sales are expected to continue to grow at about 10% per year. They consist primarily of a line of proprietary power drives for farm and construction equipment, plus more exotic items such as a magnetic disk reader head drive.

Our estimate shows an improvement in pretax margins relative to 1970 experience. The current year is one of substantial trimming of costs in both manufacturing and overhead, and margins in 1972 will benefit directly from increased unit volume. Margin improvement should be a major source of earnings growth in the next several years as the company strives to return to the 14% margins achieved in 1965.

Elimination of the federal income tax surcharge adds about 10% to 1971 earnings, compared to 1969.

Balance Sheet and Dividend Coverage

Cessna's consolidated balance sheet, as of September 30, 1970, is provided in Table 8. The key financial ratios are shown in Table 10 on page 20.

1165

Table 9

Cessna's Sales and Earnings Projections

Projected Fiscal Year

(In millions)

Item	1970	1971	1972
Revenues			
General Aviation Airplane Sales	$110.0	$105.0	$185.0
Accesories & Spare Parts	13.0	15.0	20.0
U.S. & Foreign Military Sales	65.0	30.0	20.0
Fluid Power Sales	39.0	40.0	45.0
Total Operating Revenues	227.0	190.0	270.0
Other Revenues	2.6	2.0	2.0
Total Revenues	229.6	192.0	272.0
Costs & Expenses	210.8	178.4	243.5
Pretax Profit	$18.8	$13.6	28.5
Margin	8.3%	7.2%	10.6%
Federal Income Taxes	$ 9.5	$ 6.2	$13.4
Net Income	$ 9.3	$ 7.4	$15.1
Earnings per Share (fully diluted)	$1.24	$1.00	$2.00

Chart 10

Price of Cessna Stock

Against S&P 425 Industrial Index

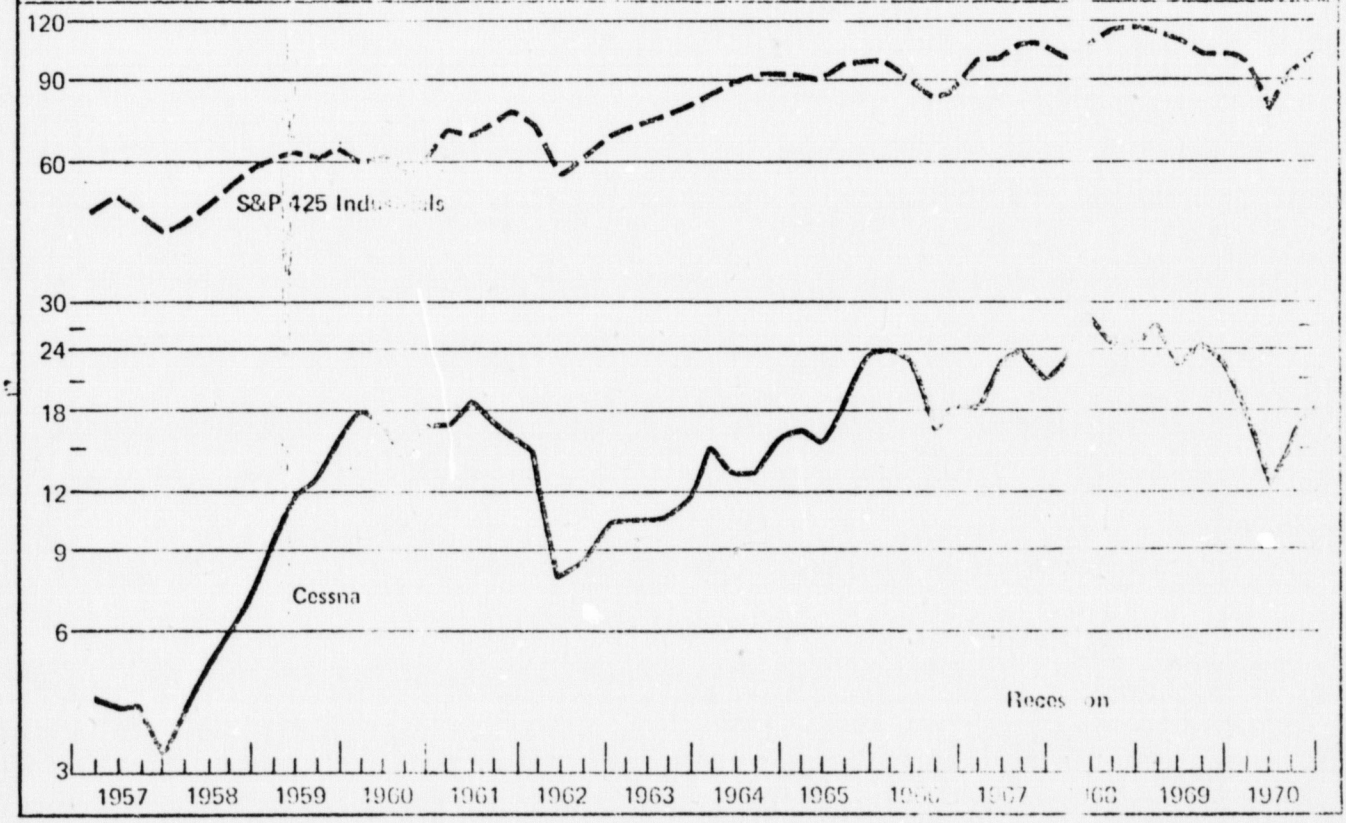


Table 10 Key Financial Ratios September 30, 1970	
Current Ratio	4.4:1
"Quick" Ratio	1.3:1
Debt/Capital	38%
Book Value	$12.85

The current year is the critical year for the Citation business jet program, from both technical and financial viewpoints. In anticipation of poor sales years in 1970-71, the company has previously cut back substantially on manufacturing schedules and overhead expenses. Capital expenditures relating to the Citation program are being maintained, but other capital programs have been reduced or deferred in order to conserve earnings and cash flow. Furthermore, the dividend was reduced to an annual rate of $0.60 so as not to compromise the Citation and other capital program schedules. Finally, a revolving credit line of $13 million is available to meet short-term exigencies.

Cessna Stock Volatility

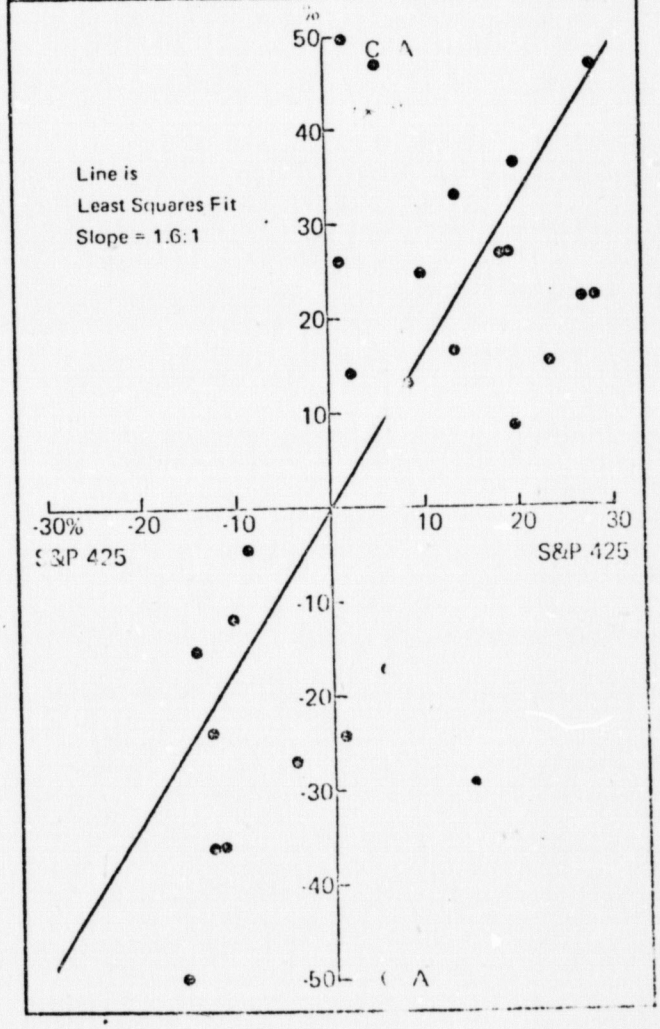
Cessna's stock has always been more volatile than the broad averages. The history of quarterly stock prices over the past 15 years is displayed in Chart 10. During the bull market of 1962-65, for example, Cessna's stock appreciated 195% while the S&P 425 gained 66%. The stock is equally volatile on the downside. Although it rarely moves counter to the market, it does exaggerate market trends.

A statistical description of the price volatility of Cessna stock is provided in Chart 11. Comparing quarterly price data on a year-to-year basis indicates that on the average, Cessna stock responds 60% more – up or down – than the S&P 425.

Conclusion

DHR's economic projections for 1971-72 envision a resumption in real growth, flat capital expenditures, and increased spending on consumer durables. In such an environment, our analysis indicates the likelihood of a rebound in general aviation sales significantly abetted by several years of deferred purchase decisions. We further believe that the demonstrated ability of Cessna's

Chart 11
Relative Price Volatility
Cessna vs. S&P 425
Year-to-Year Percent Change in Quarterly Prices



management to improve its m[arket share, manage the] company's operations in phas[e with changing market] conditions, and deliver reasonabl[e earnings under the most] difficult circumstances, indicate [that the company will] the sales and earnings leader o[f the industry during and] after the economic recovery. [Assuming moderate fiscal] and monetary policies so as to [avoid an early return to] inflationary conditions, we look [forward to several years] of earnings growth at a rate of ap[proximately 20% per year.]

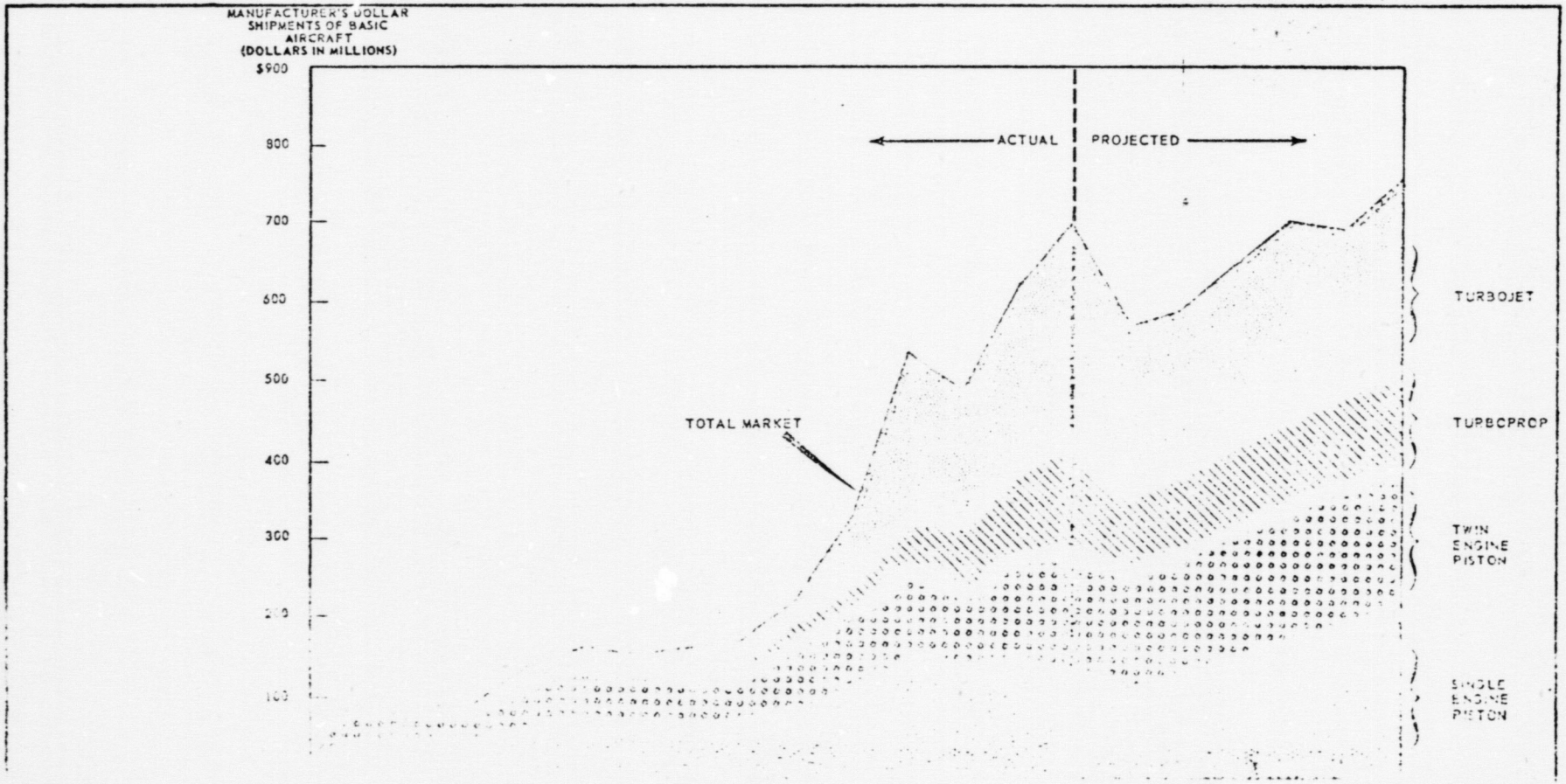
Herbert H. Moser
Assistant Vice President

This report is for information purposes only, and is not intended to be an offer or a solicitation with respect to the purchase or sale of a security. The information herein is believed to be reliable, but we cannot make any representation as to its accuracy or completeness. An opinion of ours expressed herein is subject to change. Our firm, including instances when it is acting as underwriter or marketmaker, its officers and other employees may own, buy or sell securities of any company mentioned herein.

EXHIBIT XIV

PIPER AIRCRAFT CORPORATION

THE GENERAL AVIATION AIRCRAFT MARKET BY TYPE OF AIRCRAFT, 1955 - 1975



Single Engine Piston			$ [illegible]	[illegible]	$107.4	9,692	$127.1	10,354	$ [illegible]	[illegible]		
Twin Engine Piston			58.8	1,136	80.7	1,756	102.5	2,219	127.7	2,245		
Turboprop			[illegible]	[illegible]	83	86	146.5	166	127.4	219		
Turbojet			-	-	69.2	145	270.1	244	231.8	215		
TOTAL			$ [illegible]	[illegible]	$340.2	11,661	[illegible]	[illegible]	$ [illegible]	17,355		

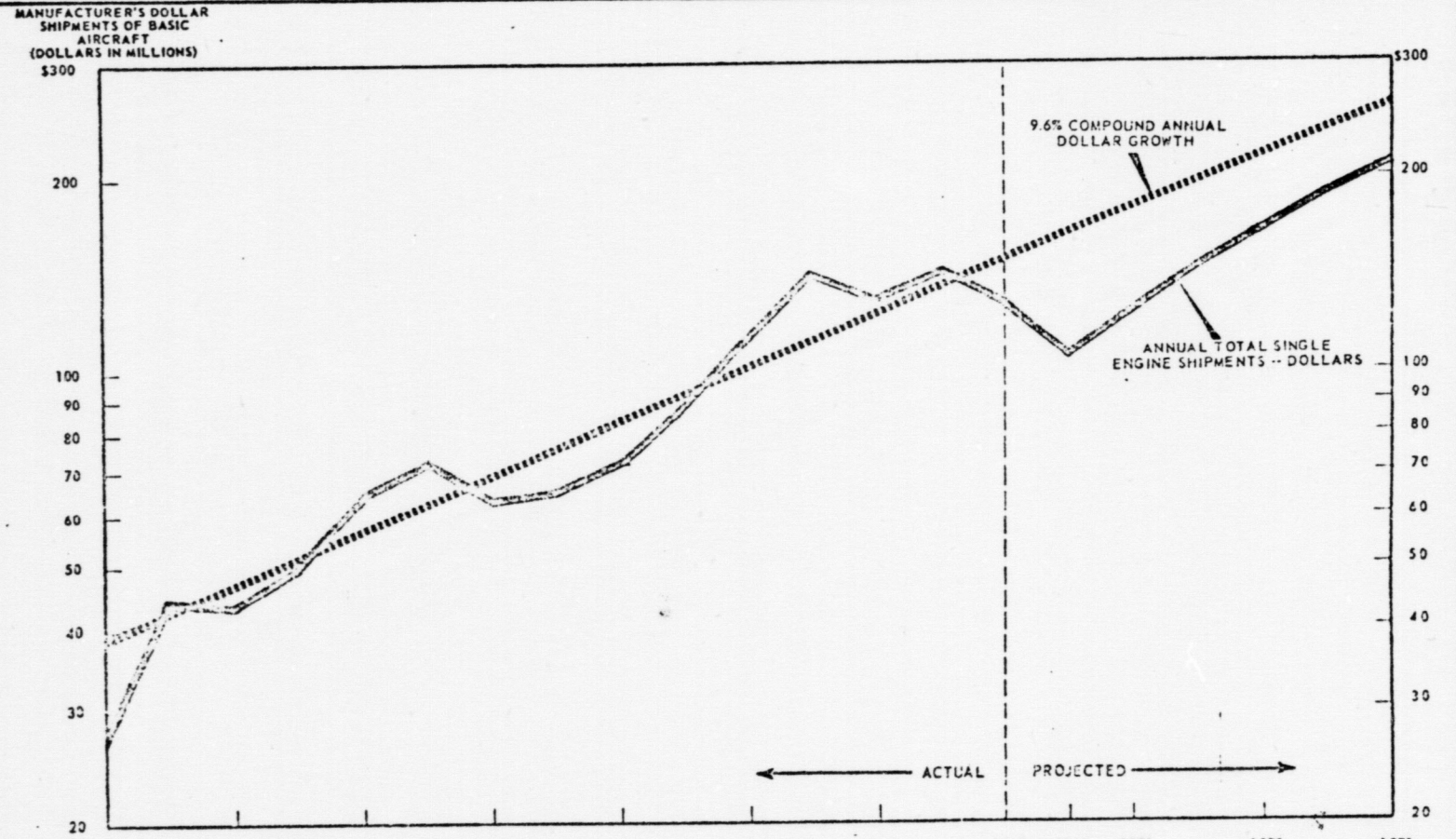
[illegible] & Company
to Piper Aircraft Corporation
June 1972

1167

EXHIBIT XV

PIPER AIRCRAFT CORPORATION

PROJECTED GROWTH OF THE TOTAL SINGLE ENGINE PISTON MARKET
1970-1975



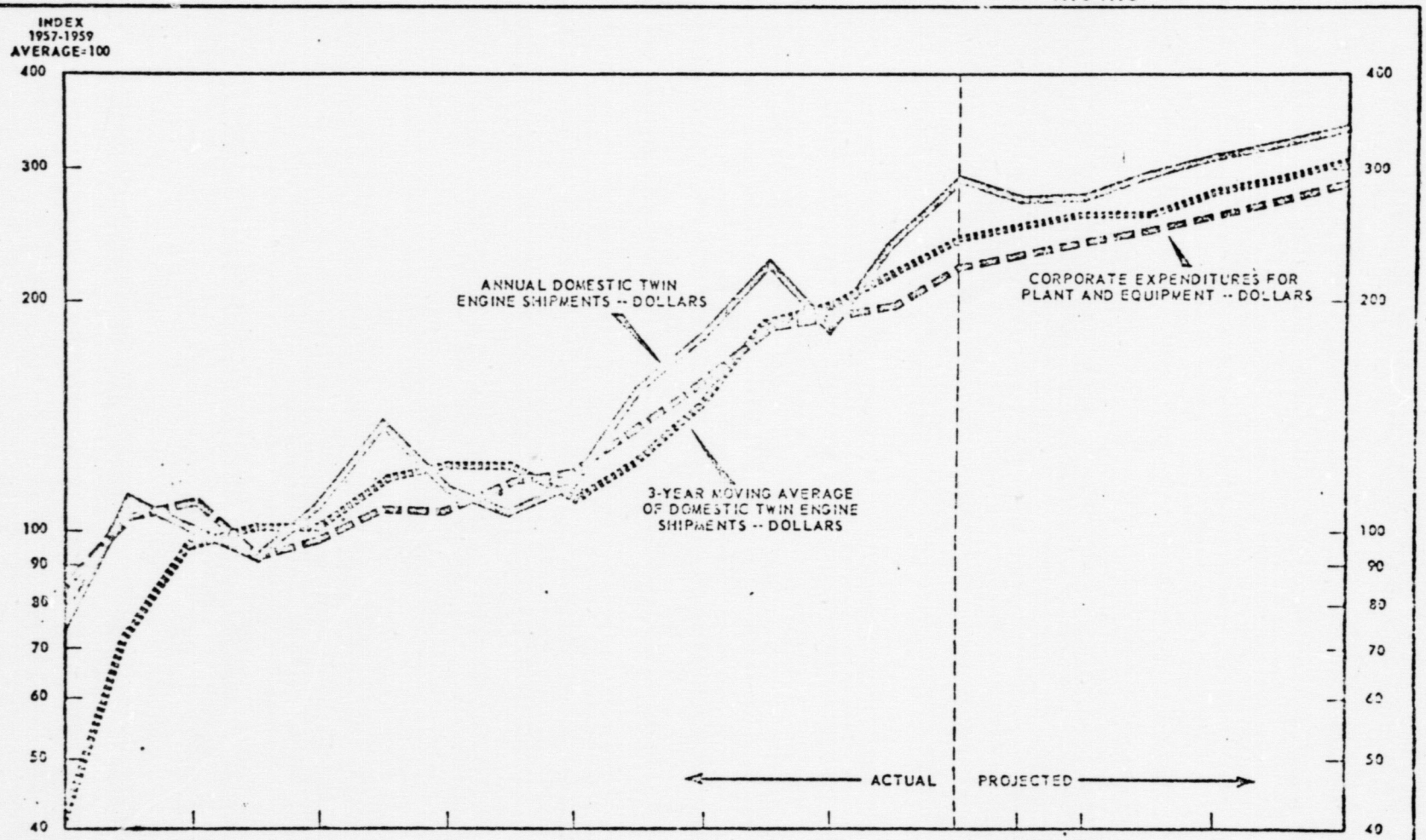
SINGLE ENGINE PISTON SALES (MILLIONS OF DOLLARS)	1955	1957	1959	1961	1963	1965	1967	1969	1970	1971	1973	1975
DOMESTIC	$22.5	$38.1	$59.0	$50.3	$57.1	$88.5	$99.2	$102.6	$ 84.0	$ 98.9	$133.4	$165.1
EXPORT	4.5	5.7	5.4 *	12.9	14.8	20.9	28.8	24.4	20.2	24.2	32.6	40.8
	$27.0	$43.8	$64.4	$63.2	$71.9	$109.4	$128.0	$127.1	$104.2	$123.1	$166.0	$205.9

NOTE: Exports of trainers, low speed, medium speed, high performance, high load, and agricultural aircraft estimated at 12, 17, 20, 15, and 25 percent of domestic sales, respectively, for 1970 through 1975.

Source: [illegible] Aircraft Corporation

PIPER AIRCRAFT CORPORATION

PROJECTED GROWTH OF THE TOTAL TWIN ENGINE PISTON MARKET
1970-1975



'N ENGINE PISTON SALES (BILLIONS OF DOLLARS)	1955	1957	1959	1961	1963	1965	1967	1969	1970	1971	1973	1975
DOMESTIC	$29.1	$38.8	$42.1	$44.3	$44.8	$71.1	$71.2	$114.9	$107.8	$108.8	$122.1	$133.3
EXPORT	2.7	7.6	5.3	13.9	14.0	17.7	22.1	37.5	34.8	36.3	40.7	44.4
TOTAL	$31.8	$46.4	$47.4	$58.2	$58.8	$88.8	$93.3	$152.5	$142.6	$145.1	$162.8	$177.7
ATE PLANT AND EQUIPMENT EXPENDITURES BILLIONS OF DOLLARS)	$29.5	$37.9	$33.5	$35.9	$40.8	$54.4	$65.5	$ 75.9	$ 79.3	$ 82.9	$ 90.5	$ 98.8

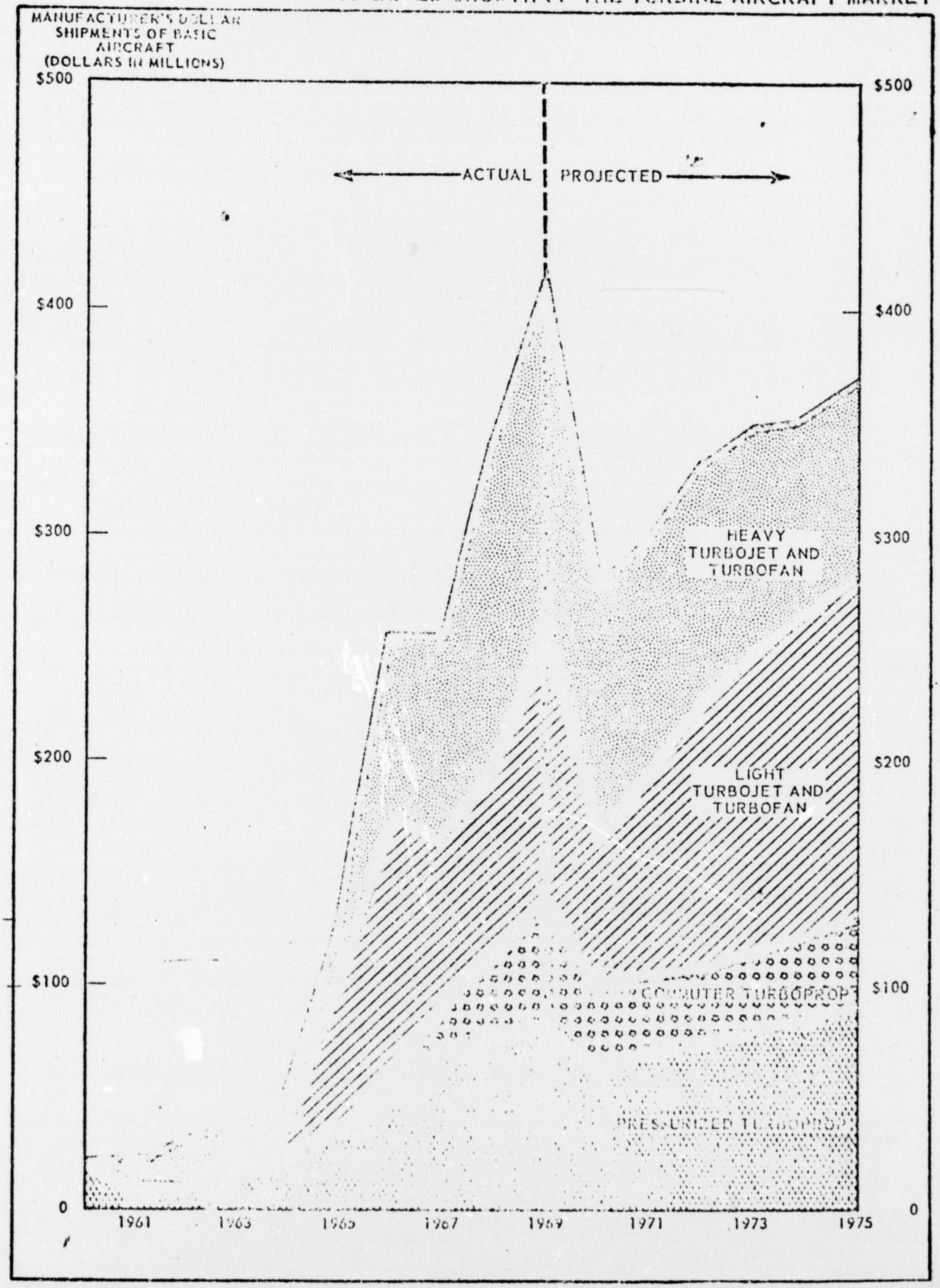
Exports estimated at 33 percent of domestic sales for 1970 through 1975.

Source: BOOZ-ALLEN & HAMILTON
Report to Piper Aircraft Corporation
June 1970

EXHIBIT XIX

PIPER AIRCRAFT CORPORATION

PROJECTED GROWTH OF THE TURBINE AIRCRAFT MARKET



Source: BOOZ-ALLEN & HAMILTON
Report to Piper Aircraft Corporation
June 1970

	1968	1969	1970	1971	1972	1973
TRAINER MARKET:						
Total Market	3959	3850	2377	2000	2400	2640
PA-28-140	1167	1309	602	480	100	-
Flite Liner 140	-	-	-	330	750	300
Flite Liner 125	-	-	-	-	-	650
New Trainer	-	-	-	-	-	-
Total Piper	1167	1309	602	810	850	950
Piper Mkt. Share	30%	34%	25%	41%	35%	36%
LIGHT 4-PLACE MARKET:						
Total Market	3248	2185	1512	1500	1900	2200
PA-28-180	797	384	291	260	100	150
PA-28-180S	-	-	-	-	-	-
Lance	-	-	-	-	400	400
Total Piper	797	384	291	260	500	550
Piper Mkt. Share	24%	17%	19%	17%	26%	25%
MEDIUM 4-PLACE MARKET:						
Total Market	2527	1796	1160	1100	1320	1700
PA-28-235	161	119	77	38	40	40
PA-28R	847	516	277	260	310	-
PA-28-235S	-	-	-	-	-	-
PA-28R-235	-	-	-	-	-	500
PA-28-235RS	-	-	-	-	-	-
Total Piper	1008	635	354	298	350	540
Piper Mkt. Share	40%	35%	31%	27%	27%	32%
SIX PLACE MARKET:						
Total Market	766	883	682	500	600	700
PA-32	269	343	169	170	200	250
PA-32R	-	-	-	-	-	-
Total Piper	269	343	169	170	200	250
Piper Mkt. Share	35%	39%	25%	34%	33%	36%
HIGH PERFORMANCE S.E. MKT.:						
Total Market	877	773	612	500	550	600
PA-24	92	101	50	38	55	-
Piper Mkt. Share	10%	13%	8%	8%	10%	-

	1968	1969	1970	1971	1972	1973
LIGHT TWIN MARKET:						
Total Market	382	443	250	240	350	390
PA-30/39	161	232	106	50	55	65
PA-34	-	-	-	55	140	150
Total Piper	161	232	106	105	195	215
Piper Mkt. Share	42%	52%	43%	44%	56%	55%
MEDIUM TWIN MARKET:						
Total Market	858	856	575	475	550	650
PA-23	276	354	184	160	200	210
Piper Mkt. Share	32%	41%	32%	34%	36%	32%
HEAVY TWIN MARKET:						
Total Market	475	634	341	190	350	440
PA-31-310	209	250	147	80	140	60
PA-31-[illegible]	-	-	-	-	20	140
Total Piper	209	250	147	80	160	200
Piper Mkt. Share	44%	40%	43%	42%	46%	45%
PRESSURIZED TWIN MARKET:						
Total Market	178	232	195	160	240	300
PA-31P	-	-	19	38	80	100
PA-37	-	-	-	-	-	-
Total Piper	-	-	19	38	80	100
Piper Mkt. Share	-	-	10%	24%	33%	33%
TURBOPROP MARKET:						
Total Market	212	229	179	150	165	200
PA-31T	-	-	-	-	10	50
Piper Mkt. Share	-	-	-	-	6%	25%
AGRICULTURAL MARKET:						
Total Market	675	751	502	400	400	650
PA-25	358	347	152	120	120	50
PA-36	-	-	-	-	-	250
Total Piper	358	347	152	120	120	300
Piper Mkt. Share	53%	46%	30%	30%	30%	46%
PA-18	139	110	66	50	50	-
Other	199	205	157	105	135	160

1172

2/23/71

THREE YEAR FORECAST (cont.)

	1968	1969	1970	1971	1972	1973
TOTAL MARKET	14,495	12,947	8,608	7,370	9,010	10,630
Vero Beach	3,241	2,671	1,416	1,593	2,040	2,690
Lock Haven	1,235	1,394	724	536	730	675
TOTAL PIPER	4,476	4,065	2,130	2,129	2,770	3,365
Piper Market Share	31%	31%	25%	29%	31%	32%
Shipments incl. in Total Mkt., not incl. in GAMA	108	163	153			
GAMA Shipments Report	14,387	12,784	8,455			
Piper Mkt. Share based on GAMA Reports	31%	32%	25%			

THREE YEAR DOLLAR FORECAST

	UNIT PRICE	1971	1972	1973
TRAINER MARKET:				
PA-28-140	$11,200	$5,385	$1,120	$ -
Flite Liner 150	10,000	3,300	7,500	3,000
Flite Liner 125	9,700	-	-	6,305
New Trainer	8,500	-	-	-
Total Piper		$8,685	$8,620	$9,305
LIGHT 4-PLACE MARKET:				
PA-28-180	$15,000	$3,936	$1,500	$2,250
PA-28-180S	15,300	-	-	-
Lance	13,000	-	5,200	5,200
Total Piper		$3,936	$6,700	$7,450
MEDIUM 4-PLACE MARKET:				
PA-28-235	$19,200	$ 591	$ 768	$ 768
PA-28R	19,100	5,008	5,921	-
PA-28-235S	19,500	-	-	-
PA-28-RS	19,400	-	-	9,700
PA-28-235RS	23,000	-	-	-
Total Piper		$5,599	$6,689	$10,468
SIX PLACE MARKET:				
PA-32	$24,400	$4,306	$4,880	$6,100
PA-32R	27,900	-	-	-
Total Piper		$4,306	$4,880	$6,100
HIGH PERFORMANCE S.E. MARKET:				
PA-24	$32,600	$1,213	$1,793	$ -
LIGHT TWIN MARKET:				
PA-39	$45,000	$2,285	$2,475	$2,925
PA-34-200	43,000	2,378	6,020	6,450
PA-34-220	50,000	-	-	-
PA-34-250T	58,000	-	-	-
Total Piper		$4,663	$8,495	$9,375
MEDIUM TWIN MARKET:				
PA-23	$64,500	$10,202	$12,900	$13,545
PRIVATE TWIN MARKET:				
PA-31-310	$104,000	$8,251	$14,560	$6,240
PA-31-325	110,000	-	2,200	15,400
Total Piper		$8,251	$16,760	$21,640

1174

M.R. 2/23/71

THREE YEAR DOLLAR FORECAST (cont.)

	UNIT PRICE	1971	1972	1973
PRESSURIZED TWIN MARKET:				
PA-31P	$202,000	$7,720	$16,160	$20,200
PA-37	105,000	-	-	-
Total Piper		$7,720	$16,160	$20,200
TURBOPROP MARKET:				
PA-31T	$340,000	-	$3,400	$17,000
AGRICULTURAL MARKET:				
PA-25	$15,700	$1,879	$1,884	$ 785
PA-36	21,200	-	-	5,300
Total Piper		$1,879	$1,884	$6,085
A-18	$9,925	$ 503	$ 496	-
TOTAL PIPER AIRCRAFT		$56,957	$ 88,777	$121,168
PARTS		8,000	9,000	10,000
TOTAL PAC		$64,957	$97,777	$131,168

PIPER AIRCRAFT COMPANY

Product Sales Related to Estimated Total Markets
(Units)

Source: Piper Aircraft Marketing Statistics

	TRAINER			CHEROKEE-180 (1)			CHEROKEE 235-ARROW (2)			CHEROKEE SIX 32			COMANCHE - 24			TWIN COMANCHE - 30		
	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)
1973 P	2,640	950	36	2,200	550	25	1,700	540	32(4)	700	250	36	600	-	-	390	215	55
1972 P	2,400	850	35	1,900	500	26(3)	1,320	350	27	600	200	33	550	55	10	350	195	56
1971 P	2,000	810	41	1,500	260	17	1,100	298	27	500	170	34	500	38	8	240	105	44(5)
1970	2,377	602	25	1,512	291	19	1,160	354	31	682	169	25	612	50	8	250	106	43
1969	3,850	1,309	34	2,185	384	17	1,796	635	35	883	343	39	773	101	13	443	232	52
1968	3,959	1,167	30	3,248	797	24	2,527	1,008	40	766	269	35	877	92	10	382	161	42
1967	4,264	1,572	37	2,241	638	28	2,048	308	15	1,032	513	50	909	134	15	556	304	55
1966	4,607	1,055	23	3,070	897	29	2,084	48	2	1,204	660	55	1,148	264	23	678	380	56
1965	2,567	753	29	2,679	898	34	1,930	225	12	595	97	16	1,073	367	34	589	312	53
1964	1,240	504	41	1,795	440	25	1,864	414	22	482	-	-	1,007	243	24	624	466	75
1963	753	264	35	2,250	653	29	1,182	47	4	582	-	-	768	307	40	206	107	52
1962	849	415	49	1,642	696	42	1,300	-	-	309	-	-	1,110	441	40	34	-	-
1961	1,475	1,016	69	1,355	136	10	1,035	-	-	219	-	-	1,298	555	43	54	-	-
1960	622	-	-	2,160	594	28	1,066	-	-	-	-	-	1,978	856	43	144	-	-

	AZTEC - 23			NAVAJO - 31			PRESSURIZED NAVAJO 31P			OTHER TWINS (7)			PAWNEE - 25			OTHER			TOTAL (10)
	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	Total Market	Piper	(%)	
1973 P	650	210	32	190	80	42	300	100	33	200	50	25	650	300	46(9)	-	-	-	-
1972 P	550	200	36	350	160	46(6)	240	80	33	165	10	6(8)	400	120	30	-	50	-	-
1971 P	475	160	34	440	200	45	160	38	24	150	-	-	400	120	30	-	50	-	-
1970	575	184	32	341	147	43	195	19	10	226	-	-	502	152	30	145	66	46	8,577
1969	956	354	41	634	250	40	232	-	-	366	-	-	751	347	46	172	110	64	12,941
1968	858	276	32	475	209	44	178	-	-	313	-	-	675	358	53	200	139	70	14,459
1967	800	275	34	293	70	24	18	-	-	299	-	-	650	328	51	156	136	87	13,266
1966	1,092	413	38	219	-	-	44	-	-	341	-	-	738	453	61	170	147	86	15,395
1965	863	393	46	145	-	-	28	-	-	261	-	-	641	641	100	169	152	90	11,543
1964	757	230	30	48	-	-	8	-	-	191	-	-	472	472	100	194	163	84	8,682
1963	543	201	37	112	-	-	18	-	-	129	-	-	359	359	100	263	254	97	7,162
1962	653	224	34	127	-	-	1	-	-	106	-	-	275	275	100	187	182	97	6,592
1961	552	169	31	213	-	-	3	-	-	94	-	-	264	233	90	339	328	97	6,901
1960	556	295	53	216	-	-	2	-	-	153	-	-	388	375	97	465	462	99	7,750

Notes:
P - Projected
(1) - Trainer 1960-1963, Cherokee introduced 1961.
(2) - Cherokee 235 introduced 1963, Arrow introduced 1967.
(3) - Lance introduced 1972
(4) - PA-28 - 235 FS introduced 1973.
(5) - PA-34 introduced 1971.
(6) - PA-31 - 325 introduced 1972.
(7) - Includes Turboprops along with Other Twins 1960-1970.
Includes projections for Turboprops only 1970-1973.
(8) - PA-31 T introduced 1972.
(9) - PA-36 introduced 1973.
(10) - Does not include a number of turbojets with a standard price in excess of $200,000, since several turbojet manufacturers do not report to GAMA. The GAMA reports are used as basis for Piper Marketing Statistics.

PIPER AIRCRAFT CORPORATION

Projected Contribution (Sales Less Direct Costs) By Product Line
($000)

	1971	1972	1973
Trainer	1,993	1,813	1,901
Lt 4-PL	1,294	1,978	2,227
Med 4-PL	1,901	2,237	3,541
6 PL	1,429	1,681	2,102
HPSE	391	566	--
Lt Twin	1,691	3,215	3,536
Med Twin	3,968	4,960	5,208
Hvy Twin	2,857	5,784	7,632
Press Twin	3,683	7,753	9,691
Turboprop	--	1,655	8,273
AG-SP	650	650	2,419
Parts	2,105	2,368	2,630
TOTAL	21,962	34,660	49,160
	(%)	(%)	(%)
Trainer	9.1	5.2	4.0
Lt 4-PL	5.8	5.7	4.5
Med 4-PL	8.6	6.5	7.2
6 PL	6.5	4.8	4.3
HPSE	1.8	1.6	-
Lt Twin	7.7	9.3	7.2
Med Twin	18.1	14.3	10.6
Hvy Twin	13.0	16.7	15.5
Press Twin	16.8	22.4	19.7
Turboprop	-	4.8	16.8
AG-SP	3.0	1.9	4.9
Parts	9.6	6.8	5.3
TOTAL	100.0	100.0	100.0

Source: Piper Aircraft Corporation

1178

PIPER AIRCRAFT CORPORATION
Funds Flow 1971-73
($000)

	1971	1972	1973
Pre-tax Income	$ 766	$ 8,561	$19,752
Tax Refund	2,100		
Depreciation	1,800	1,800	2,000
Funds Provided	4,666	10,361	21,752
Tax Payments	-	766	8,177
Capital Expenditures	400	1,000	600
Funds Applied	400	1,766	8,777
Increase in Working Capital	$ 4,266	$ 8,595	$12,975
Notes Payable-Short-term	$ 1,700	$ 6,400	$ 1,400

February 23, 1971
Fin & Adm

EXHIBIT XXIII

Piper Aircraft Corporation

PROJECTED 1975 PIPER SALES OF BASIC AIRCRAFT

(Dollars in Millions)

Performance Class	1969 Total Market	1969 Piper Market Share	1969 Piper Sales	Projected 1975 Total Market	Projected 1975 Piper Range Market Share	Projected 1975 Piper Range Sales
Piston						
Single Engine	$127.1	29%	$37.0	$205.9	28%-33%	$ 57.7-$ 67.9
Twin Engine						
Unpressurized						
Light	$ 15.7	46%	$ 7.2	$ 24.4	50%-70%	$ 12.2-$ 17.1
Light/medium	52.3	32	16.6	47.6	30 -35	14.3- 16.7
Medium	42.2	45	19.0	39.1	40 -50	15.6- 19.6
Subtotal Unpressurized	$110.2	39%	$42.8	$111.1	38%-48%	$ 42.1-$ 53.4
Pressurized						
Light/medium	-	-	-	$ 20.9	35%-45%	$ 7.3-$ 9.4
Medium	$ 31.8	-	-	42.5	30 -40	12.8- 17.0
Subtotal Pressurized	$ 31.8	-	-	$ 63.4	32%-42%	$ 20.1-$ 26.4
Total Twin	$142.5	30%	$42.8	$174.5	36%-46%	$ 62.2-$ 79.8
Light Turboprop	$ 79.6	-	-	$ 87.8	25%-35%	$ 21.9-$ 30.7
Total*	$349.2	23%	$79.8	$468.2	30%-38%	$141.8-$178.4 **

* Excludes heavy unpressurized twins, commuter and heavy turboprops, and all turbojets.

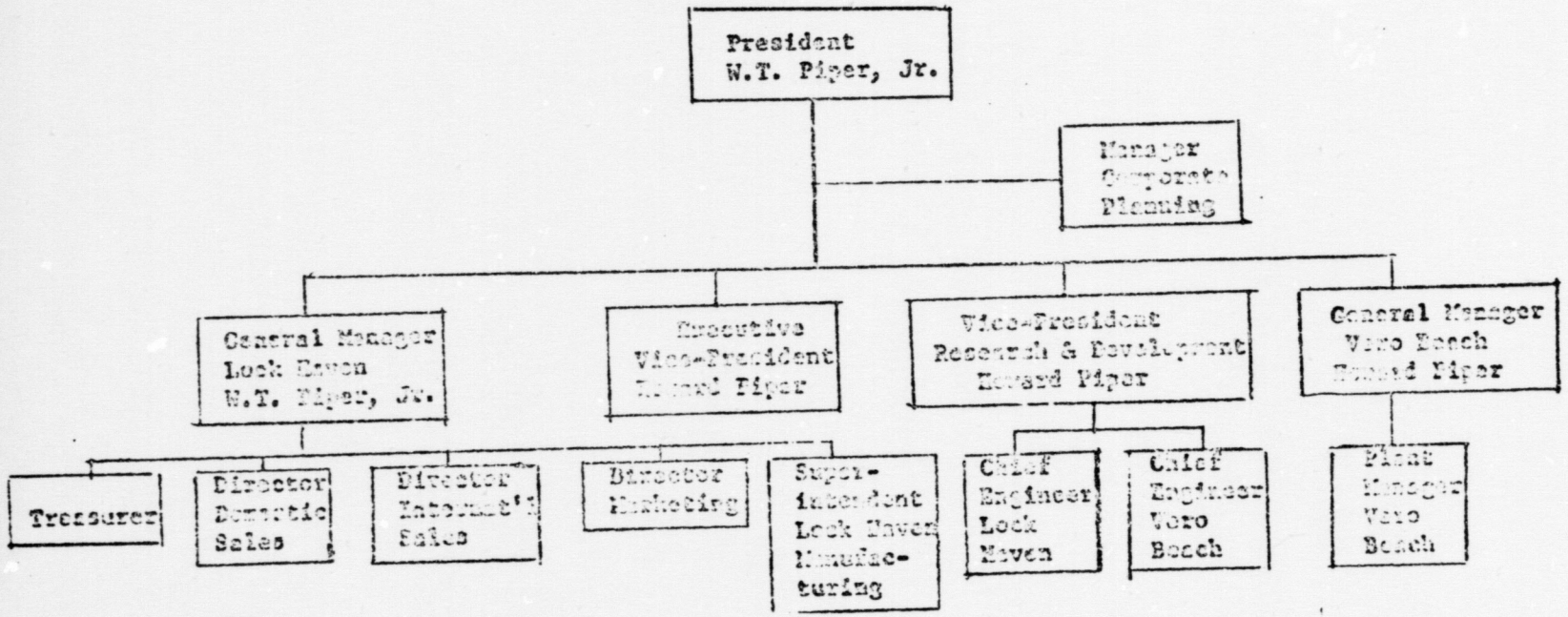
** Excludes Optional Equipment and Parts Projected to be $50.0-$7.20 in 1975.

Source: BOOZ-ALLEN & HAMILTON

Exhibit 5

PIPER AIRCRAFT CORPORATION

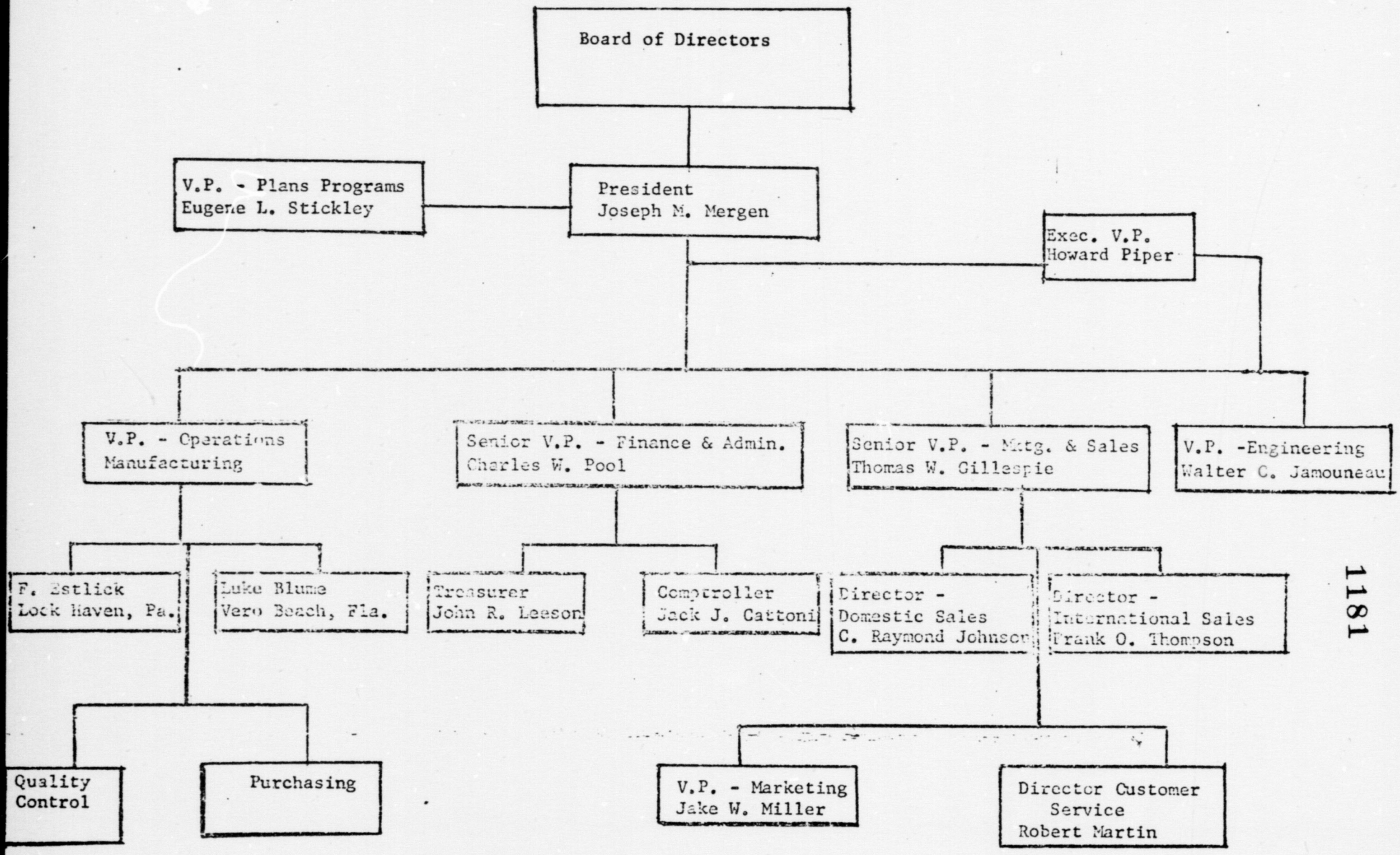
Partial Organization Chart



Drexel Firestone Note: This document appears as Exhibit 5 to Harvard Business School Case Study B P 934 Published 1969.

Source: Company Records

PIPER AIRCRAFT CORPORATION
Partial Organization Chart - March 1971



1181

PIPER AIRCRAFT CORPORATION

Operating Results (in millions of dollars)

	Net Sales	Oper. Inc.	% of Sales	Net Inc.	% of Sales	Tax Rate	Depr.	Cash Flow	% Ret. on Cap.	% Ret. on Equity	Sales/ Capital
9/30/1970	68.4	(.60)	--	(.80)	--	--	1.64	.84	--	--	1.43
1969	106.6	10.63	10.0	4.80	4.5	53.0	1.31	6.11	12.3	13.7	2.36
1968	96.7	10.22	10.6	3.86	4.0	53.2	1.69	5.55	10.3	11.5	2.22
1967	80.4	7.65	9.5	2.99	3.7	48.6	1.56	4.55	11.1	9.2	2.47
1966	81.3	14.19	17.5	6.87	8.5	49.5	.93	7.80	24.8	24.5	2.89
1965	69.1	12.92	18.7	6.20	9.0	50.0	.80	7.00	25.8	25.8	2.87
1964	54.4	9.86	18.1	4.48	8.2	52.2	.78	5.26	21.3	21.3	2.59
1963	38.1	6.26	16.4	2.62	6.9	53.7	.77	3.39	13.5	13.5	1.96
1962	33.3	4.69	14.1	1.77	5.3	54.9	.91	2.68	9.4	9.4	1.77
1961	31.4	1.92	6.1	.85	2.7	49.1	.64	1.49	4.5	4.5	1.64

Per Share Data

	Earnings	% Change	Cash Flow	Dividends	Payout %	Book Value	Wkg. Cap.	Hi-Lo Price	Hi-Lo P/E	Yield on Avg. Mkt.
9/30/1970	(.47)	--	.53	--	--	22.54	19.50	47-11	--	--
1969	2.92	23.9	3.72	1.40	48	23.02	20.00	81-42	28-14	2.3
1968	2.36	29.1	3.38	1.40	59	21.39	20.00	72-48	31-20	2.3
1967	1.83	(56.7)	2.78	1.40	77	20.43	19.47	56-39	31-22	3.0
1966	4.22	10.5	4.79	1.50	36	20.03	14.25	70-33	17-8	3.0
1965	3.82	38.0	4.31	1.35	35	17.31	13.62	59-34	16-9	2.9
1964	2.77	70.0	3.25	1.00	36	14.85	11.98	44-26	16-9	2.9
1963	1.63	47.9	2.11	.67	41	13.06	10.44	28-18	17-11	2.9
1962	1.10	107.0	1.67	.67	61	12.10	9.26	28-12	25-11	3.4
1961	.53	(75.7)	.93	.73	79	11.67	8.45	40-25	76-48	2.3

Balance Sheet (in millions of dollars)

	Current Assets	Cash & Equiv.	Inv.	Gr. Plant	Net Plant	Total Assets	Curr. Liab.	Curr. Ratio	Quick Ratio	Debt/ Capital	L.T. Debt	Pfd.	Common	Adj. Sh. O/S (in thousands)
9/30/1970	45.2	3.7	32.9	25.1	15.1	60.6	13.2	3.4	.87	21%	10%	0	37.1	1,644.8
1969	49.8	3.4	39.4	24.4	15.0	65.1	17.0	2.9	.59	21	10	0	37.9	1,644.8
1968	41.9	4.5	32.2	20.5	12.1	54.2	9.1	4.6	1.0	22	10	0	35.1	1,639.6
1967	40.4	3.7	32.0	16.6	11.5	52.0	8.5	4.8	.95	23	10	0	33.5	1,628.4
1966	39.5	3.4	28.9	15.1	9.4	48.9	16.3	2.4	.64	0	0	0	32.6	1,628.1
1965	30.3	7.6	17.7	10.9	6.0	36.3	8.2	3.7	1.5	0	0	0	23.1	1,623.0
1964	28.0	7.1	16.7	9.1	4.6	32.6	8.6	3.3	1.3	0	0	0	24.1	1,619.6
1963	21.8	6.3	12.6	8.2	4.1	26.0	5.0	4.4	1.8	0	0	0	21.0	1,609.0
1962	18.9	4.5	11.9	8.1	4.6	23.5	4.0	4.7	1.7	0	0	0	19.5	1,608.6
1961	16.2	2.6	10.8	8.0	5.2	21.4	2.6	6.2	2.0	0	0	0	18.8	1,608.6

PIPER AIRCRAFT CORP (FISCAL YEAR ENDS IN MONTH 9) FEB. 13, 1969

INCOME ACCOUNTS (IN $MM)

YEAR	NET SALES	SALES/ CAPITAL	SALES/ GR.PL.	OPER. INCOME	O.I./ SALES (PCT)	O.I./ GR.PL. (PCT)	DEP.+ AMORT.	DEP./ GR.PL. (PCT)	PRETAX INCOME	PRETAX/ SALES (PCT)	TAXES/ PRETAX (PCT)	NET INCOME	N.I./ SALES (PCT)	RET.ON CAPITAL (PCT)	RET.ON EQUITY (PCT)
1968	98.7	2.22	5.20	10.22	10.57	54.95	1.69	9.09	8.24	8.52	53.16	3.86	3.99	10.28	11.56
1967	80.6	2.47	5.32	7.65	9.51	50.66	1.56	10.33	5.82	7.24	48.63	2.99	3.72	11.10	9.17
1966	81.3	2.99	7.66	14.19	17.45	130.18	.93	8.53	13.59	16.72	49.45	6.87	8.45	24.81	24.45
1965	69.1	2.87	7.59	12.92	18.70	141.98	.80	8.79	12.39	17.93	49.96	6.20	8.97	25.78	25.77
1964	54.4	2.59	6.63	9.86	18.13	120.24	.78	9.51	9.37	17.22	52.19	4.48	8.24	21.32	21.33
1963	38.1	1.96	4.70	6.26	16.43	77.28	.77	9.51	5.66	14.86	53.71	2.62	6.88	13.46	13.45
1962	33.3	1.77	4.16	4.69	14.08	58.63	.91	11.38	3.92	11.77	54.85	1.77	5.32	9.43	9.43
1961	31.4	1.64	4.98	1.92	6.11	30.68	.64	10.16	1.67	5.32	49.10	.85	2.71	4.45	4.48
1960	40.2	3.76	8.04	7.62	19.45	156.40	.50	10.00	7.60	18.91	53.68	3.52	8.76	33.08	32.92
1959	34.3	3.88	8.37	6.52	19.01	150.02	.42	10.24	6.16	17.96	54.87	2.78	8.10	31.43	31.45

PER ADJUSTED SHARE

	NET SALES	PCT. CHANGE	COM. EARN.	PCT. CHANGE	CASH FLOW	COM. DIV.	COM. EQUITY	MKG. CAP.	PRICE HIGH	PRICE LOW	P.E.R. HIGH	P.E.R. LOW
1968	5M.98	20.2	2.36	29.1	3.38	1.40	21.39	20.00	72	48	30.6	20.4
1967	4M.67	-1.7	1.83	-66.7	2.78	1.40	20.43	19.47	56	39	30.9	21.6
1966	4M.96	17.3	4.22	10.5	4.79	1.50	20.03	14.25	70	33	16.5	7.7
1965	4M.67	26.8	3.82	38.0	4.31	1.35	17.31	13.62	59	34	15.5	8.8
1964	3M.59	41.9	2.77	70.0	3.25	1.00	14.85	11.98	44	24	16.0	9.3
1963	2M.68	14.4	1.63	47.9	2.11	.67	13.06	10.44	28	18	17.1	10.9
1962	2M.70	6.1	1.10	107.0	1.67	.83	12.10	9.26	28	12	25.1	11.3
1961	1M.62	-21.9	.53	-75.7	.93	.67	11.67	8.45	40	25	75.6	47.7
1960	2M.19	8.4	2.19	15.0	2.50	.69	11.87	9.39	49	29	22.2	13.3
1959	2M.49	26.4	1.90	27.1	2.19	.63	7.33	5.27	36	13	18.8	7.1

PER $100 OF MARKET VALUE

	NET SALES	COM. EARN.	CASH FLOW	COM. DIV.	COM. EQUITY
1968	110.86	4.43	6.36	2.63	40.21
1967	93.65	3.48	5.30	2.47	38.99
1966	124.84	10.55	11.98	3.75	50.07
1965	77.27	6.93	7.83	2.45	31.42
1964	84.96	7.00	8.22	2.51	37.56
1963	93.22	6.41	8.29	2.62	51.43
1962	104.55	5.56	8.41	3.36	61.12
1961	73.20	1.99	3.47	2.75	43.76
1960	76.50	6.70	7.65	1.98	36.34
1959	68.38	5.55	6.38	1.85	21.33

PER SHARE GROWTH RATES

	5 YRS.	10 YRS.	15 YRS.
SALES	18.23	12.19	12.52
TREND IN $	42.62	54.76	65.62
STAN.INDEX	10.87	17.69	18.43
EARNINGS	2.83	8.45	12.67
TREND IN $	2.74	2.85	3.48
STAN.INDEX	61.86	62.77	77.72
OPER.INCOME	6.81	8.95	12.40
CASH FLOW	5.90	9.53	13.63
COM.DIV.	14.78	10.87	7777.00
COM.EQUITY	10.73	12.52	19.32

RATIO ANALYSIS

	5 YR. AVERAGE	10 YR. AVERAGE	15 YR. AVERAGE
SALES/CAP.	2.609	2.605	3.269
SALES/GR.PL.	6.442	6.247	7.355
O.I./SALES	14.872	14.945	16.155
O.I./GR.PL.	99.603	97.982	127.280
DEP./GR.PL.	9.251	9.754	8.986
PRETAX/SALES	13.526	13.644	15.069
TAXES/PRETAX	50.675	51.959	52.838
N.I./SALES	6.674	6.513	7.047
RET.ON CAP.	10.656	10.513	25.302
STAN.DEV.	6.635	9.527	15.827
RET.ON EQ.	10.451	10.398	27.115
STAN.DEV.	6.807	9.548	18.429

	1968	5 YR. AVERAGE	10 YR. AVERAGE	15 YR. AVERAGE
CURRENT RATIO	4.604	3.746	4.049	3.434
QUICK RATIO	1.044	1.086	1.356	1.167
DEBT/GR.PL.	.488	.205	.103	.068
DEBT/EQUITY	.285	.117	.058	.039
PRETAX/FX.CH.	13.508	7777.000	7777.000	7777.000
N.I./PFD.DIV.	7777.000	7777.000	7777.000	7777.000
EARN/COM.DIV.	1.687	2.284	2.263	3.035
STAN.DEV.		.655	.819	1.994
DIV./EARNINGS	.393	.485	.545	.455
DIV./CASH FLOW	.413	.370	.390	.342
CAP.EX./GR.PL.	.107	7777.000	7777.000	7777.000
C.E./RET.C.F.	.675	7777.000	7777.000	7777.000

BALANCE SHEET (IN $MM)

YEAR	CURR. ASSETS	CASH+ EQUIV.	INV.	GR.PL.	NET PL.	TOTAL ASSETS	CURR. LIAB.	CURR. RATIO	QUICK RATIO	DEBT/ EQUITY	L.T. DEBT.	PFD. STOCK	COM. EQUITY	ADJ.NO. SHARES
1968	61.9	4.5	32.2	20.5	12.1	84.2	9.1	4.604	1.044	.3	10.0	0	25.1	2439.6
1967	48.4	3.7	32.0	18.6	11.5	62.0	8.5	4.753	.953	.3	10.0	0	33.5	1638.4
1966	34.5	3.4	28.9	15.1	9.4	49.9	14.3	2.423	.638	0	0	0	32.6	1628.1
1965	30.1	2.4	17.7	10.9	6.8	36.3	8.2	3.695	1.500	0	0	0	28.1	1623.0
1964	28.0	2.1	16.7	9.1	4.6	32.6	8.6	3.256	1.291	0	0	0	24.1	1614.6
1963	21.8	4.3	12.6	8.2	4.1	26.0	5.0	4.360	1.820	0	0	0	21.0	1609.0
1962	18.9	4.5	11.9	8.1	4.6	23.5	4.0	4.725	1.725	0	0	0	19.5	1608.9
1961	18.5	2.6	10.8	8.0	5.2	21.4	2.6	6.231	1.962	0	0	0	18.8	1608.8
1960	20.2	5.9	10.6	6.3	3.9	29.2	5.1	3.941	1.863	0	0	0	19.1	1608.6
1959	12.9	2.2	8.8	5.0	1.0	15.9	5.2	2.481	.769	0	0	0	10.7	1608.4

* 7777.000 = NOT AVAILABLE

PIPER AIRCRAFT CORP

PIPER AIRCRAFT CORPORATION

Common Stock Comparison

BALANCE SHEET DATA	as of	PIPER AIRCRAFT CORPORATION	CESSNA AIRCRAFT CORPORATION	BEECH AIRCRAFT CORPORATION
		9/30/70	9/30/70	9/30/70
		($000) (%)	($000) (%)	($000) (%)
Long term debt		10,000 21.2	52,797 36.9	32,057 42.1
Preferred stock		- -	- -	- -
Common stock equity		37,079 78.8	90,424 63.1	44,008 57.9
Total Capitalization and Surplus		47,079 100.0	143,221 100.0	76,065 100.0
Current Assets/Current Liabilities		3.4	4.4	2.9
Tangible Net Worth per Common Share		$22.54	$12.85	$9.51
Number of common shares currently outst.		1,644,790	7,035,199	4,640,325

EARNINGS DATA	Years ended	PIPER AIRCRAFT CORPORATION			CESSNA AIRCRAFT CORPORATION			BEECH AIRCRAFT CORPORATION		
		9/30			9/30			9/30		
Net Sales - Net before Taxes - Net Income ($000)		Net Sales	Net bef. Taxes	Net Inc.	Net Sales	Net bef. Taxes	Net Inc.	Net Sales	Net bef. Taxes	Net Inc.
	1966	81,313	13,594	6,871	204,392	25,113	12,779	164,630	16,545	6,770
	1967	80,439	5,821	2,991	217,648	18,756	9,367	174,106	16,926	9,036
	1968	96,724	8,238	3,863	269,038	26,315	12,800	184,360	16,097	7,795
	1969	106,569	10,218	4,801	282,981	31,373	15,223	187,313	4,021	1,977
	1970	68,372	(1,574)	(776)	227,109	18,776	9,261	169,806	(14,252)	(7,732)
Profit Margins - Effective Tax Rate		As % of Sales		Eff.	As % of Sales		Eff.	As % of Sales		Eff.
		Net bef. Taxes	Net Inc.	Tax Rate	Net bef. Taxes	Net Inc.	Tax Rate	Net bef. Taxes	Net Inc.	Tax Rate
	1966	16.7	8.5	49.5	12.3	6.3	49.1	10.0	5.3	47.0
	1967	7.3	3.7	48.6	8.6	4.3	50.1	9.7	5.2	46.6
	1968	8.5	4.0	53.1	9.8	4.8	51.4	8.7	4.2	51.6
	1969	9.6	4.5	53.0	11.1	5.4	51.5	2.1	1.1	50.8
	1970	-	-	-	8.3	4.1	50.7	-	-	-
Return on Capital		% Earned on	% Earned on	Common Stock	% Earned on	% Earned on	Common Stock	% Earned on	% Earned on	Common Stock
Common Stock Equity ($000)		Total Capital	Common Stock Equity	Equity	Total Capital	Common Stock Equity	Equity	Total Capital	Common Stock Equity	Equity
	1966	21.1	21.1	32,606	14.1	19.9	64,066	19.4	19.4	45,176
	1967	6.9	8.9	33,475	7.5	13.6	68,979	17.4	17.4	51,946
	1968	8.6	10.5	35,070	9.6	16.6	77,220	8.8	13.7	56,962
	1969	10.0	12.7	37,885	10.6	17.4	87,614	2.3	3.5	55,757
	1970	-	-	37,079	6.5	17.5	90,424	-	-	44,008
Per Share of Common Stock		Net Income	Divs.	% Payout	Net Income	Divs.	% Payout	Net Income	Divs.	% Payout
	1966	$4.23	$1.50	35.5	$1.82	$0.64	35.2	$1.92	$0.45	23.4
	1967	1.83	1.40	76.5	1.33	0.67	50.4	1.97	0.54	27.4
	1968	2.36	1.40	59.3	1.81	0.67	37.0	1.69	0.67	39.6
	1969	2.92	1.40	47.9	2.15	0.71	33.0	0.43	0.74	172.1
	1970	(0.47)	-	-	1.31	0.79	60.3	(1.67)	0.75	-
Latest 12 months (month ended)		(1.77)(12)			1.09(12)			(1.62)(12)		
Price Range - Price/Earnings		Price Range	P/E Ratios		Price Range	P/E Ratios		Price Range	P/E Ratios	
Calendar years	1966	70-33	17- 8		27-15	14- 7		25-14	13- 7	
	1967	56-39	31-22		24-18	16-12		34-18	17- 9	
	1968	72-48	31-20		31-19	17-11		46-25	27-14	
	1969				29-21	13-10		41-17	9?-4?	
	1970-1971				24-12	18- 9		19- 8	-	
Closing price on 3/4/71	($)				21			15 1/4		
Indicated current annual cash dividend rate					$0.60			$0.75		
Current Yield					2.86%			4.92%		
Total Market price of common stock	($000)				147,739			70,765		

CESSNA AIRCRAFT COMPANY — CEA — 01 (FISCAL YEAR ENDS IN MONTH 9) — JUNE 12, 1970

INCOME ACCOUNTS (IN $MM)

YEAR	NET SALES	SALES/ CAPITAL	SALES/ GR.PL.	OPER. INCOME	O.I./ SALES (PCT)	O.I./ GR.PL. (PCT)	DEP.+ AMORT.	DEP./ GR.PL. (PCT)	PRETAX INCOME	PRETAX/ SALES (PCT)	TAXES/ PRETAX (PCT)	NET INCOME	N.I./ SALES (PCT)	RET.ON CAPITAL (PCT)	RET.ON EQUITY (PCT)
1969	283.0	2.13	4.65	36.57	12.92	60.15	3.46	5.69	31.67	11.19	51.94	15.22	5.38	11.80	19.80
1968	259.0	2.15	4.98	32.30	12.01	58.81	4.16	7.70	28.32	9.78	51.37	13.80	4.76	12.59	18.09
1967	213.6	2.37	4.76	25.04	11.72	55.77	3.63	8.08	20.19	9.45	46.66	10.77	5.04	14.84	16.62
1966	202.1	3.19	5.45	29.08	14.39	78.38	2.51	6.77	26.20	12.96	47.06	13.87	6.86	23.78	25.22
1965	148.4	2.64	4.47	23.86	16.08	71.87	2.46	7.41	21.47	14.47	48.63	11.03	7.47	20.70	23.29
1964	122.9	2.34	3.90	16.73	13.61	53.11	1.63	5.17	15.17	12.34	50.30	7.54	6.14	15.20	17.53
1963	96.4	2.13	3.29	12.03	12.48	41.06	1.54	5.26	10.48	10.87	51.05	5.13	5.32	12.46	12.21
1962	89.8	2.00	2.98	11.44	12.74	38.01	1.42	6.05	9.59	10.68	51.41	4.66	5.19	11.50	11.46
1961	87.7	2.01	3.00	12.59	14.36	43.12	2.09	7.16	10.70	12.20	51.12	5.23	5.96	12.75	13.65
1960	103.3	2.65	4.10	17.33	16.78	69.77	2.00	7.94	15.11	14.63	51.82	7.28	7.05	19.75	22.06

PER ADJUSTED SHARE

YEAR	NET SALES	PCT. CHANGE	COM. EARN.	PCT. CHANGE	CASH FLOW	COM. DIV.	COM. EQUITY	WKG. CAP.	PRICE HIGH	PRICE LOW	P.E.R. HIGH	P.E.R. LOW	NET SALES	COM. EARN.	CASH FLOW	COM. DIV.	COM. EQUITY
1969	39.47	5.0	2.14	18.7	2.63	.71	12.30	13.26	29.	21.	13.4	9.8	170.68	9.19	11.28	3.06	52.70
1968	37.98	25.7	1.81	18.7	2.39	.67	10.85	12.68	31.	19.	17.4	10.6	152.79	7.27	9.63	2.68	43.66
1967	30.20	5.4	1.52	-22.6	2.04	.67	10.00	11.44	24.	18.	16.0	11.6	148.89	7.51	10.04	3.28	49.71
1966	28.66	35.4	1.97	25.1	2.32	.64	9.19	7.79	27.	15.	13.9	7.4	162.27	11.14	13.15	3.63	52.00
1965	21.16	20.0	1.57	45.3	1.92	.55	7.85	5.75	24.	14.	15.5	8.8	89.77	6.67	8.16	2.32	33.28
1964	17.63	27.3	1.08	46.7	1.32	.49	6.70	4.96	15.	11.	14.2	9.9	116.82	7.17	8.72	3.16	45.06
1963	13.85	7.2	.74	10.0	.96	.48	6.18	4.53	12.	10.	16.4	12.9	126.47	6.73	8.75	4.34	56.45
1962	12.92	2.4	.67	-10.9	.93	.48	6.05	3.44	17.	8.	24.9	11.4	129.19	6.71	9.32	4.76	60.47
1961	12.62	-16.5	.75	-29.4	1.05	.48	5.85	3.38	22.	15.	29.2	19.6	78.88	4.70	6.58	2.97	36.57
1960	15.12	-3.5	1.07	-9.4	1.36	.35	5.60	3.84	19.	12.	18.0	11.6	90.21	6.36	8.10	2.08	33.43

PER $100 OF MARKET VALUE

YEAR	NET SALES	COM. EARN.	CASH FLOW	COM. DIV.	COM. EQUITY
1969	170.68	9.19	11.28	3.06	52.70
1968	152.79	7.27	9.63	2.68	43.66
1967	148.89	7.51	10.04	3.28	49.71
1966	162.27	11.14	13.15	3.63	52.00
1965	89.77	6.67	8.16	2.32	33.28
1964	116.82	7.17	8.72	3.16	45.06
1963	126.47	6.73	8.75	4.34	56.45
1962	129.19	6.71	9.32	4.76	60.47
1961	78.88	4.70	6.58	2.97	36.57
1960	90.21	6.36	8.10	2.08	33.43

PER SHARE GROWTH RATES

	5 YRS.	10 YRS.	15 YRS.
SALES	18.31	12.53	9.28
TREND IN $	42.74	36.91	33.34
STAB.INDEX	6.14	19.29	20.82
EARNINGS	19.78	9.66	9.10
TREND IN $	2.12	1.94	1.93
STAB.INDEX	14.59	30.02	27.22
OPER.INCOME	13.87	9.61	8.28
CASH FLOW	12.06	9.33	8.85
COM.DIV.	7.88	8.57	14.40
COM.EQUITY	12.19	9.46	11.95

RATIO ANALYSIS

	5 YR. AVERAGE	10 YR. AVERAGE	15 YR. AVERAGE
SALES/CAP.	2.496	2.360	2.996
SALES/GR.PL.	4.862	4.159	4.510
O.I./SALES	13.424	13.708	14.138
O.I./GR.PL.	65.196	57.004	64.091
DEP./GR.PL.	7.131	6.723	7.453
PRETAX/SALES	11.572	11.358	12.192
TAXES/PRETAX	49.131	50.135	50.905
N.I./SALES	5.895	5.913	5.981
RET.ON CAP.	17.141	15.737	20.046
STAN.DEV.	4.733	3.572	7.665
RET.ON EQ.	20.604	17.994	21.906
STAN.DEV.	3.202	4.439	7.115

	1969	5 YR. AVERAGE	10 YR. AVERAGE	15 YR. AVERAGE
CURRENT RATIO	3.696	3.403	3.295	2.862
QUICK RATIO	1.186	.973	.905	.850
DEBT/GR.PL.	.852	.714	.458	.378
DEBT/EQUITY	.638	.536	.341	.293
PRETAX/FX.CH.	10.114	16.970	22.423	23.358
N.I./PFD.DIV.	7777.000	7777.000	7777.000	7777.000
EARN/COM.DIV.	3.003	2.79	3	2.963
STAN.DEV.		.27	0	.993
DIV./EARNINGS	.333	.361	7	.386
DIV./CASH FLOW	.271		1	.297
CAP.EX./GR.PL.	.073			.115
C.F./RET.C.F.	.353			.531

BALANCE SHEET (IN $MM)

YEAR	CURR. ASSETS	CASH+ EQUIV.	INV.	GR.PL.	NET PL.	TOTAL ASSETS	CURR. LIAB.	CURR. RATIO	QUICK RATIO	DEBT/ EQUITY	L.T. DEBT	PFD. STOCK	COM. EQUITY	ADJ.NO. SHARES
1969	129.8	10.5	86.8	65.4	29.8	178.7	34.9	3.696	1.186	.6	55.7	0.0	87.3	7097.7
1968	120.7	13.4	81.7	60.8	28.4	164.2	30.9	3.906	1.252	.7	56.1	0.0	76.9	7082.8
1967	104.9	7.1	76.0	54.0	25.2	149.5	23.9	4.385	1.105	.8	54.5	0.0	70.7	7071.9
1966	89.1	4.8	61.3	44.9	19.7	124.2	34.2	2.605	.801	.4	25.2	0.0	64.8	7051.7
1965	66.6	2.1	53.7	37.1	14.2	91.7	28.3	2.424	.519	.2	8.4	0.0	55.0	7013.0
1964	50.0	2.4	36.8	33.2	12.6	71.5	15.4	3.247	.844	.2	8.8	0.0	47.3	6969.2
1963	41.8	1.9	30.4	31.5	12.2	62.9	10.3	4.058	1.078	.2	9.6	0.0	43.0	6959.6
1962	37.9	1.7	28.1	29.3	11.7	59.3	14.0	2.707	.686	.1	3.3	0.0	42.0	6950.9
1961	37.6	2.6	26.6	30.1	12.3	59.1	14.1	2.667	.759	.1	4.3	0.0	40.7	6948.9
1960	37.8	2.9	28.0	29.2	13.2	55.3	11.6	3.259	.819	.1	5.4	0.0	38.3	6831.7

* 7777.000 = NOT AVAILABLE

BEECH AIRCRAFT CORP BCX 01(FISCAL YEAR ENDS IN MONTH 9) JUNE 12, 1970

INCOME ACCOUNTS (IN $MM)

YEAR	NET SALES	SALES/ CAPITAL	SALES/ GR.PL.	OPER. INCOME	O.I./ SALES (PCT)	O.I./ GR.PL. (PCT)	DEP.+ AMORT.	DEP./ GR.PL. (PCT)	PRETAX INCOME	PRETAX/ SALES (PCT)	TAXES/ PRETAX (PCT)	NET INCOME	N.I./ SALES (PCT)	RET.ON CAPITAL (PCT)	RET.ON EQUITY (PCT)
1969	197.3	2.13	6.64	6.56	3.50	23.26	2.09	7.41	4.03	2.15	50.87	1.98	1.06	5.32	3.47
1968	184.4	3.55	8.09	17.87	9.69	78.38	1.74	7.57	16.09	8.73	51.58	7.79	4.22	18.56	15.00
1967	174.1	3.85	8.25	17.70	10.17	83.89	1.35	6.40	16.93	9.72	46.60	9.04	5.19	23.02	20.00
1966	164.6	4.29	8.66	16.97	10.31	89.32	1.16	6.11	16.55	10.05	47.01	8.77	5.33	25.09	22.85
1965	122.5	3.54	6.92	10.86	8.87	61.36	1.04	5.88	10.64	8.69	48.21	5.51	4.50	17.58	15.92
1964	107.2	3.27	6.46	7.18	6.70	43.25	.87	5.24	6.74	6.29	49.26	3.42	3.19	12.18	11.43
1963	73.9	2.28	4.74	3.33	4.51	21.35	.93	5.96	3.61	4.75	43.30	1.99	2.69	8.05	6.15
1962	67.7	2.19	4.61	6.38	9.42	43.40	.77	5.24	6.40	9.45	53.91	2.95	4.36	10.86	9.54
1961	72.0	2.42	5.07	5.34	7.42	37.61	.76	5.49	5.34	7.42	52.06	2.56	3.56	10.25	8.61
1960	98.9	3.80	7.38	10.42	10.54	77.76	.73	5.45	10.30	10.41	52.91	4.85	4.90	20.08	18.67

PER ADJUSTED SHARE

	NET SALES	PCT. CHANGE	COM. EARN.	PCT. CHANGE	CASH FLOW	COM. DIV.	COM. EQUITY	MKG. CAP.HIGH	PRICE LOW	P.E.R. HIGH	P.E.R. LOW	PER $100 OF MARKET VALUE NET SALES	COM. EARN.	CASH FLOW	COM. DIV.	COM. EQUITY
1969	40.34	1.2	.43	-74.7	.88	.74	12.01	16.22	41.	17.	95.3	39.4	236.50	2.56	5.14	4.31	70.46
1968	39.85	7.6	1.68	-12.4	2.06	.68	12.31	16.66	46.	25.	27.4	14.7	101.61	4.29	5.25	1.71	31.39
1967	37.04	3.2	1.92	.5	2.21	.54	11.05	9.51	34.	18.	17.8	9.3	138.95	7.21	8.29	2.05	41.46
1966	35.90	34.1	1.91	59.0	2.17	.45	9.85	8.35	25.	14.	13.0	7.4	201.24	10.72	12.14	2.62	55.26
1965	26.77	14.2	1.20	61.0	1.43	.39	8.39	7.12	22.	10.	18.4	8.5	133.74	6.01	7.15	1.92	41.90
1964	23.45	44.6	.75	70.8	.94	.37	7.57	6.47	13.	9.	17.1	11.9	194.24	5.19	7.77	3.06	62.60
1963	16.22	9.0	.44	-32.6	.64	.37	7.19	6.17	10.	8.	23.4	17.7	173.23	4.67	6.84	3.94	78.78
1962	14.87	-6.9	.65	14.1	.82	.37	7.12	6.13	14.	7.	21.2	11.1	156.83	6.84	8.62	3.56	75.07
1961	15.98	-28.0	.57	-47.8	.74	.35	6.87	6.02	16.	10.	28.9	18.3	137.16	4.88	6.36	3.01	58.96
1960	22.19	8.4	1.39	20.0	1.25	.32	6.68	5.95	16.	11.	15.1	10.5	171.21	8.40	9.66	2.42	51.52

--- PER SHARE GROWTH RATES ---

	5 YRS.	10 YRS.	15 YRS.
SALES	11.91	10.07	5.32
TREND IN $	44.00	40.27	34.25
STAB.INDEX	7.96	22.31	25.30
EARNINGS	-5.01	4.45	2.60
TREND IN $	1.02	1.14	1.06
STAB.INDEX	72.85	66.79	53.53
OPER.INCOME	2.75	6.16	2.04
CASH FLOW	2.23	6.74	3.62
COM.DIV.	16.33	8.69	9.74
COM.EQUITY	10.76	7.73	10.60

	5 YR. AVERAGE	10 YR. AVERAGE	15 YR. AVERAGE
SALES/CAP.	3.473	3.137	4.081
SALES/GR.PL.	7.713	6.632	6.956
O.I./SALES	8.507	8.112	8.617
O.I./GR.PL.	67.240	55.956	61.081
DEP./GR.PL.	6.684	6.080	6.205
PRETAX/SALES	7.868	7.766	8.190
TAXES/PRETAX	48.856	49.572	51.389
N.I./SALES	4.060	3.900	3.952
RET.ON CAP.	17.913	15.098	18.678
STAN.DEV.	6.383	6.332	8.249
RET.ON EQ.	15.449	13.065	16.785
STAN.DEV.	6.625	6.052	8.278

RATIO ANALYSIS

	1969	5 YR. AVERAGE	10 YR. AVERAGE	15 YR. AVERAGE
CURRENT RATIO	3.228	2.498	2.322	2.161
QUICK RATIO	1.189	1.057	1.092	1.089
DEBT/GR.PL.	1.010	.421	.211	.140
DEBT/EQUITY	.561	.221	.118	.074
PRETAX/FX.CH.	1.498	12.111	13.131	23.714
N.I./PFD.DIV.	7777.000	7777.000	7777.000	7777.000
EARN/COM.DIV.	.580	2.767	2.306	2.766
STAN.DEV.		1.209	1.006	1.118
DIV./EARNINGS	1.725	.594	.579	.484
DIV./CASH FLOW	.438	.375	.405	.351
CAP.EX./GR.PL.	.123	.110	.089	.085
C.E./RET.C.F.	5.759	1.451	.991	.754

BALANCE SHEET (IN $MM)

YEAR	CURR. ASSETS	CASH+ EQUIV.	INV.	GR.PL.	NET PL.	TOTAL ASSETS	CURR. LIAB.	CURR. RATIO	QUICK RATIO	DEBT/ EQUITY	L.T. DEBT	PFD. STOCK	COM. EQUITY	ADJ.NO. SHARES
1969	109.1	5.8	68.3	31.0	11.0	120.9	33.8	3.228	1.189	.6	31.7	0.0	55.8	4642.6
1968	111.6	4.0	72.4	28.2	10.1	122.3	34.5	3.235	1.122	.5	30.9	0.0	57.0	4527.6
1967	85.2	6.4	46.6	22.8	6.8	92.4	40.5	2.104	.943	0.0	0.0	0.0	51.9	4708.6
1966	82.8	5.5	40.4	21.1	6.3	89.6	44.5	1.861	.946	0.0	0.0	0.0	45.2	4584.5
1965	63.5	7.3	29.9	19.0	5.2	69.3	30.9	2.055	1.084	0.0	0.0	0.0	38.4	4575.9
1964	57.1	4.8	30.9	17.7	4.6	62.1	27.5	2.073	.873	0.0	0.0	0.0	34.6	4571.8
1963	53.1	3.7	26.6	16.6	4.3	57.8	25.0	2.124	1.044	0.0	0.0	0.0	32.8	4556.8
1962	51.3	7.2	24.5	15.6	4.2	55.8	23.4	2.192	1.132	0.0	0.0	0.0	32.4	4551.3
1961	49.1	11.1	18.3	14.7	3.8	52.9	22.0	2.232	1.382	0.0	0.0	0.0	30.9	4546.4
1960	50.3	9.8	21.4	14.2	3.9	54.2	23.8	2.113	1.296	0.0	0.0	0.0	29.8	4458.5

* 7777.000 = NOT AVAILABLE

DREXEL FIRESTONE INCORPORATED

CHRIS-CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

PRO FORMA FINANCIAL STATEMENTS
TO REFLECT THE EXCHANGE OFFER OF JULY 24, 1969
AS OF JANUARY 1, 1969

PRICE WATERHOUSE & Co.

PRICE WATERHOUSE & CO.

60 BROAD STREET

NEW YORK 10004

March 8, 1971

. Firestone, Incorporated
)ad Street
)rk, New York 10004

Sirs:

In accordance with your request we have undertaken special work ing to the preparation of pro forma statements of income of Chris- . Industries, Inc. for the calendar years 1965, 1966 and 1967 and for fiscal years ended Augus 31, 1968, 1969 and 1970 and pro forma ice sheets at December 31, 1967 and August 31, 1968, 1969 and 1970 ne following bases and assumptions:

1. That Chris-Craft Industries, Inc. had acquired its present holdings of 697,495 shares of Piper Aircraft Corporation as of January 1, 1965 and had accounted for such investment at cost, recording as income only dividends paid by Piper.

2. That Chris-Craft Industries, Inc. had acquired its present holdings of 697,495 shares of Piper Aircraft Corporation as of January 1, 1965 and had accounted for such investment as outlined in the Exposure Draft, Proposed APB Opinion: The Equity Method of Accounting for Investments in Common Stock, dated December 18, 1970, issued by the Accounting Principles Board of the American Institute of Certified Public Accountants, as it applies to investments made prior to November 1, 1970.

3. That Chris-Craft Industries, Inc. had acquired a majority interest of 856,206 shares of Piper Aircraft Corporation, through the successful completion of the Exchange Offer for 300,000 shares of Piper described in a Prospectus dated July 24, 1969, as of January 1, 1965 and had included the financial position and results of operations of Piper, after deduction for minority interests, in its consolidated financial statements.

These pro forma financial statements are set forth in the attached index to exhibits. The pro forma financial statements have been prepared from the following financial statements examined by other independent accountants and should be read in conjunction with the notes and opinions of other independent accountants included therein:

1. Chris-Craft Industries, Inc. statements of income for the years ended December 31, 1965, 1966 and 1967 from the Prospectus dated July 24, 1969 and the statements of income for fiscal years ended August 31, 1968, 1969 and 1970 and the balance sheets at December 31, 1967 and August 31, 1967, 1968, 1969 and 1970 from the 1968, 1969 and 1970 Annual Reports to Shareholders.

2. Piper Aircraft Corporation statements for the years ended September 30, 1965, 1966 and 1967 from the Chris-Craft Prospectus dated July 24, 1969 and for the fiscal years ended September 30, 1968, 1969 and 1970 from the Piper Annual Report to Stockholders.

These sources were supplemented by other published sources where considered appropriate. The pro forma adjustments to these financial statements requested by you are similar to those included by Chris-Craft in its Prospectus dated July 24, 1969. The excess of the investment cost over carrying value of assets acquired is included in intangibles. To the extent that the purchase price would be allocated to other assets, reported earnings and intangibles would be reduced.

Chris-Craft fiscal years ending December 31, 1965, 1966 and 1967 and August 31, 1968, 1969 and 1970 have been combined with Piper fiscal years ended September 30 as if they were concurrent and consecutive fiscal years. Balance sheets at December 31, 1965 and 1966 and fully diluted earnings per share for 1965 through 1967 have not been included as this information, restated for the 1968 pooling of interests of Chris-Craft and Baldwin-Montrose Chemical Company, Incorporated, is not included in Chris-Craft's Prospectus dated July 24, 1969 or in its Annual Reports to Shareholders.

We wish to point out that the pro forma financial statements, including per share data, reflect the acquisition of the shares of Piper under the Exchange Offer of July 24, 1969 and with regards to the

equity basis of accounting such basis has been applied only as it relates to Chris-Craft's ownership of 697,495 shares of Piper and not to Chris-Craft's 50% ownership of Montrose Chemical Corporation of California.

The work we carried out was not an examination in accordance with generally accepted auditing standards, and as a result we do not express an opinion on the pro forma financial statements listed in the attached index to exhibits.

Yours very truly,

Price Waterhouse & Co

CHRIS-CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

INDEX TO EXHIBITS

The following pro forma financial statements have been prepared from the financial statements included in the Chris-Craft Prospectus dated July 24, 1969 and the 1968, 1969 and 1970 annual reports of Chris-Craft and Piper, examined by other independent accountants, and should be read in conjunction with the notes and opinions of other independent accountants included therein.

Exhibit I - Comparative per share data
- A. Net income (loss) per share of common stock (and common stock equivalents).
- B. Fully diluted net income (loss) per share of common stock.
- C. Tangible net worth (deficit) per share of common stock.

II - Pro forma statements of income for twelve-month periods ending December 31, 1965, 1966 and 1967 and August 31, 1968, 1969 and 1970 to reflect the exchange offer of July 24, 1969 as of January 1, 1965.

III - Pro forma balance sheets at December 31, 1967, and August 31, 1968, 1969 and 1970 to reflect the exchange offer of July 24, 1969 as of January 1, 1965.

IV - Pro forma adjustments to reflect the exchange offer of July 24, 1969.

EXHIBIT I

1192

CHRIS-CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

COMPARATIVE PER SHARE DATA

	Chris-Craft	Pro forma assuming ownership of 697,495 shares of Piper: Investment at cost	Pro forma assuming ownership of 697,495 shares of Piper: Investment at equity	Pro forma assuming ownership of 856,206 shares of Piper: Consolidated
A. Net income (loss) per share of common stock (and common stock equivalents*):-				
Income (loss) before extraordinary item:				
1970	($ .78)	($ .80)	($ .89)	($ 1.02)
1969	.79	.66	.96	.90
1968	.89	.66	.89	.81
1967	.94	.71	.81	.73
1966	.90	.74	1.23	1.19
1965	.99	.82	1.26	1.20
Extraordinary item, net of tax:				
1970	(2.79)	(2.79)	(2.79)	(2.79)
1969	.24	.22	.22	.18
1968	-	-	-	-
1967	.16	.14	.14	.12
1966	.28	.25	.25	.21
1965	.06	.05	.05	.05
Net income (loss):				
1970	(3.57)	(3.59)	(3.68)	(3.81)
1969	1.03	.88	1.18	1.08
1968	.89	.66	.89	.81
1967	1.10	.85	.95	.85
1966	1.18	.99	1.48	1.40
1965	1.05	.87	1.31	1.25
B. Fully diluted net income (loss) per share of common stock*:-				
Income (loss) before extraordinary item:				
1970	(.78)	(.80)	(.89)	(1.02)
1969	.67	.53	.70	.69
1968	.71	.61	.71	.69
Extraordinary item, net of tax:				
1970	(2.79)	(2.79)	(2.79)	(2.79)
1969	.13	.12	.11	.10
1968	-	-	-	-
Net income (loss):				
1970	(3.57)	(3.59)	(3.68)	(3.81)
1969	.80	.65	.81	.79
1968	.71	.61	.71	.69

	Chris-Craft	Pro forma assuming ownership of 697,495 shares of Piper: Investment at cost	Pro forma assuming ownership of 697,495 shares of Piper: Investment at equity	Pro forma assuming ownership of 856,206 shares of Piper: Consolidated
		(Thousands of dollars)		
C. Tangible net worth (deficit) per share of common stock:-				
August 31, 1970 (3,840,350 shares*):				
Stockholders investment applicable to common stock	$42,431	$39,891	$45,206	$45,058
Intangible assets, as reported	27,016	27,016	27,016	72,486
Excess of investment cost over net assets of Piper	30,330	30,330	35,645	-
	57,346	57,346	62,661	72,486
Tangible net worth (deficit)	($14,915)	($17,455)	($17,455)	($27,428)
Tangible net worth (deficit) per share	($3.88)	($4.55)	($4.55)	($7.14)
August 31, 1969 (3,533,580 shares*):				
Stockholders investment applicable to common stock	$50,965	$48,507	$54,151	$54,428
Intangible assets, as reported	27,399	27,399	27,399	72,869
Excess of investment cost over net assets of Piper	29,818	30,001	35,645	-
	57,217	57,400	63,044	72,869
Tangible net worth (deficit)	($ 6,252)	($ 8,893)	($ 8,893)	($18,371)
Tangible net worth (deficit) per share	($1.77)	($2.52)	($2.52)	($5.20)
August 31, 1968 (2,857,266 shares*):				
Stockholders investment applicable to common stock	$41,436	$39,361	$43,946	$44,678
Intangible assets, as reported	27,572	27,572	27,572	73,148
Excess of investment cost over net assets of Piper	-	31,132	35,717	-
	27,572	58,704	63,289	73,148
Tangible net worth (deficit)	$13,864	($19,343)	($19,343)	($28,470)
Tangible net worth (deficit) per share	$4.85	($6.77)	($6.77)	($9.96)

	Chris-Craft	Pro forma assuming ownership of 697,495 shares of Piper: Investment at cost	Pro forma assuming ownership of 697,495 shares of Piper: Investment at equity	Pro forma assuming ownership of 856,206 shares of Piper: Consolidated
		(Thousands of dollars)		
December 31, 1967 (2,417,992 shares*):				
Stockholders investment applicable to common stock	$32,496	$30,960	$34,877	$35,241
Intangible assets, as reported	28,328	28,328	28,328	73,909
Excess of investment cost over net assets of Piper	-	31,801	35,718	-
	28,328	60,129	64,046	73,909
Tangible net worth (deficit)	$ 4,168	($29,169)	($29,169)	($38,668)
Tangible net worth (deficit) per share	$1.72	($12.06)	($12.06)	($15.99)

Notes to Exhibit I:

A. Net income per share of common stock and common stock equivalents was computed in accordance with the applicable provisions of Opinion 15 of the Accounting Principles Board by dividing net income, after deducting dividend requirements on preferred stocks other than common stock equivalents, by the weighted average number of shares of common stock and common stock equivalents outstanding or assumed to be outstanding during each year, adjusted for subsequent stock dividends. The $2.00 convertible preferred stock has been considered to be a common stock equivalent from date assumed to have been issued and the number of shares issuable on conversion has been added to common shares. In 1970 the $2 convertible preferred stock considered to be a common stock equivalent was antidilutive and accordingly not included in the computation.

B. Fully diluted net income per share of common stock was computed by assuming (1) conversion of all convertible preferred stock and convertible debt and exercise of options and warrants issued or assumed to have been issued which had exercise prices less than the average market price during each year, all as of the beginning of the year or date of issue or grant, whichever is later, (2) that the proceeds upon exercise of options and warrants have been used to purchase shares of common stock at the aforementioned market prices, and (3) the issuance of shares of $1.40 convertible preferred stock on stock dividends that will be paid through March 31, 1973 based on the then current market price and their conversion to common stock. The resultant number of shares was divided into net income increased by interest expense, net of applicable taxes, on convertible debentures. The common stock purchase warrants assumed to have been issued as of January, 1965 exercisable at $25 per share under the terms of the July 24, 1969 Exchange Offer are considered to have had an exercise price in excess of the average market price during each year. In 1970 the effect from the assumed conversions of debentures or preferred stock or from the assumed exercise of options or warrants, was to reduce the loss per share and therefore excluded from the computation.

C. Stockholders investment applicable to common stock is after deduction of liquidating values of preferred stock which is in excess of stated value. To the extent that the excess of the purchase price over the carrying value of Piper assets acquired or assumed to have been acquired could be allocated to other assets, tangible net (deficit) would be decreased. No deduction has been made for the amount by which Chris-Craft's 50% investment in Montrose Chemical Corporation of California exceeds its share of net assets of Montrose or for any other assets which may be considered intangibles. In computing tangible net worth (deficit) per share, the 6% convertible debentures assumed to have been issued to acquire the Piper shares are assumed not to have been converted into common stock.

*Adjusted for stock dividends through September, 1970.

CHRIS - CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

PRO FORMA STATEMENTS OF INCOME
(Thousands of dollars)

	Chris-Craft Twelve months ended August 31, 1970	Piper Twelve months ended September 30, 1970	Pro forma assuming ownership of 697,495 shares of Piper — Investment at cost: Adjustments	Pro forma	Pro forma assuming ownership of 697,495 shares of Piper — Investment at equity: Adjustments	Pro forma	Pro forma assuming ownership of 856,206 shares of Piper — Consolidated: Adjustments	Pro forma
Operating revenues:								
Sales of manufactured products	$ 58,500	$68,372		$ 58,500		$ 58,500		$ 126,872
Television revenues	23,430			23,430		23,430		23,430
	81,930	68,372		81,930		81,930		150,302
Operating expenses:								
Cost of manufactured products sold	52,213	61,173		52,213		52,213		113,386
Television expenses	10,414			10,414		10,414		10,414
Selling, general and administrative	19,128	7,869		19,128		19,128		26,997
	81,755	69,042		81,755		81,755		150,797
Operating income (loss)	175	(670)		175		175		(495)
Other income (expense)	(3,472)	(972)	($167)(6)	(3,639)	($167)(6)	(3,639)	($256)(6)	(4,760)
Income (loss) before federal income taxes, minority (equity) interest and extraordinary item	(3,297)	(1,642)	(167)	(3,464)	(167)	(3,464)	(256)	(5,185)
Federal and foreign income taxes	1,450	866	85 (6)	1,535	85 (6)	1,535	130 (6)	2,445
Income (loss) before minority (equity) interest and extraordinary item	(1,847)	(776)	(82)	(1,929)	(82)	(1,929)	(126)	(2,749)
Equity in net income (loss) of Piper					(329)(3)	(329)		
Minority interest							372 (3)	372
Income (loss) before extraordinary item	(1,847)	(776)	(82)	(1,929)	(411)	(2,258)	246	(2,377)
Extraordinary item net of tax	(10,403)			(10,406)		(10,406)		(10,406)
Net income (loss)	(12,253)	(776)	(82)	(12,335)	(411)	(12,664)	246	(12,783)
Dividend requirements on preferred stock (including common stock equivalents)	1,085			1,085		1,085	376 (5)	1,461
Net income (loss) applicable to common stock and common stock equivalents	($ 13,338)	($ 776)	($ 82)	($ 13,420)	($411)	($ 13,749)	($130)	($ 14,244)
Average outstanding shares of common stock (excluding common stock equivalents)	3,734,230			3,734,230		3,734,230		3,734,230
Net income (loss) per share of common stock (excluding common stock equivalents):								
Income (loss) before extraordinary item	($ .78)			($ .80)		($ .89)		($1.02)
Extraordinary item, net of tax	(2.79)			(2.79)		(2.79)		(2.79)
Net income (loss)	($3.57)			($3.59)		($3.68)		($3.81)
Fully diluted net income (loss) per share of common stock:								
Income (loss) before extraordinary item	($ .78)			($ .80)		($ .89)		($1.02)
Extraordinary item, net of tax	(2.79)			(2.79)		(2.79)		(2.79)
Net income (loss)	($3.57)			($3.59)		($3.68)		($3.81)

CHRIS-CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

PRO FORMA STATEMENTS OF INCOME

(Thousands of dollars)

	Chris-Craft Twelve months ended August 31, 1969	Piper Twelve months ended September 30, 1969	Pro forma assuming ownership of 697,495 shares of Piper — Investment at cost: Adjustments	Pro forma	Pro forma assuming ownership of 697,495 shares of Piper — Investment at equity: Adjustments	Pro forma	Pro forma assuming ownership of 856,206 shares of Piper — Consolidated: Adjustments	Pro forma
Operating revenues:								
Sales of manufactured products	$ 83,414	$106,569		$ 83,414		$ 83,414		$ 189,983
Television revenues	18,910			18,910		18,910		18,910
	102,324	106,569		102,324		102,324		208,893
Operating expenses:								
Cost of manufactured products sold	69,915	86,609		69,915		69,915		156,524
Television expenses	9,393			9,393		9,393		9,393
Selling, general and administrative	15,297	9,799		15,297		15,297		25,096
	94,605	96,408		94,605		94,605		191,013
Operating income	7,719	10,161		7,719		7,719		17,880
Other income (expense)	(1,200)	(417)	($ 1,023)(6) 347 (2)	(1,876)	($ 1,023)(6) (629)(2)	(2,852)	($ 1,131)(6) (629)(2)	(3,377)
Income before federal income taxes, minority (equity) interest and extraordinary item	6,519	9,744	(676)	5,843	(1,652)	4,867	(1,760)	14,503
Federal and foreign income taxes	2,877	4,943	(517)(6)	2,360	(517)(6)	2,360	(556)(6)	7,264
Income before minority (equity) interest and extraordinary item	3,642	4,801	(159)	3,483	(1,135)	2,507	(1,204)	7,239
Equity in net income of Piper					2,035 (3)	2,035	(2,302)(3)	(2,302)
Minority interest	3,642	4,801	(159)	3,483	900	4,542	(3,506)	4,937
Income before extraordinary item	794			794		794		794
Extraordinary item net of tax	4,436	4,801	(159)	4,277	900	5,336	(3,506)	5,731
Net income	1,066			1,066		1,066		1,066
Dividend requirements on preferred stock (other than common equivalents)								
Net income applicable to common stock and common stock equivalents	$ 3,370	$ 4,801	($ 159)	$ 3,211	$ 900	$ 4,270	($ 3,506)	$ 4,665
Average outstanding shares of common stock (and common stock equivalents)	3,273,319*		355,851 (7)	3,629,170	355,851 (7)	3,629,170	1,028,892 (7)	4,302,211
Net income per share of common stock (and common stock equivalents):								
Income before extraordinary item	$ .79			$.66		$ .96		$ .90
Extraordinary item, net of tax	.24			.22		.22		.18
Net income	$1.03			$.88		$1.18		$1.08
Fully diluted net income per share of common stock:								
Income before extraordinary item	$ .67			$.53		$ .70		$ .69
Extraordinary item, net of tax	.13			.12		.11		.10
Net income	$ .80			$.65		$ .81		$ .79

*Adjusted for stock dividends through September, 1970.

1197

EXHIBIT II
1969

CHRIS-CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

PRO FORMA STATEMENTS OF INCOME
(Thousands of dollars)

	Chris-Craft	Piper	Pro forma assuming ownership of 697,495 shares of Piper				Pro forma assuming ownership of 856,206 shares of Piper	
	Twelve months ended August 31, 1968	Twelve months ended September 30, 1968	Investment at cost		Investment at equity		Consolidated	
			Adjustments	Pro forma	Adjustments	Pro forma	Adjustments	Pro forma
Operating revenues:								
Sales of manufactured products	$ 73,970	$96,724		$ 73,970		$ 73,970		$ 170,694
Television revenues	15,060			15,060		15,060		15,060
	89,030	96,724		89,030		89,030		185,754
Operating expenses:								
Cost of manufactured products sold	61,769	79,045		61,769		61,769		140,814
Television expenses	8,117			8,117		8,117		8,117
Selling, general and administrative	11,384	9,479		11,384		11,384		20,863
	81,270	88,524		81,270		81,270		169,794
Operating income	7,760	8,200		7,760		7,760		15,960
Other income (expense)	(1,138)	(290)	($ 2,488)(6)	(2,650)	($ 2,488)(6)	(3,626)	($ 2,525)(6)	(3,953)
			976 (2)					
Income before federal income taxes, minority (equity) interest and extraordinary item	6,622	7,910	(1,512)	5,110	(2,488)	4,134	(2,525)	12,007
Federal and foreign income taxes	3,134	4,047	(1,198)(6)	1,936	(1,198)(6)	1,936	(1,201)(6)	5,980
Income before minority (equity) interest and extraordinary item	3,488	3,863	(314)	3,174	(1,290)	2,198	(1,324)	6,027
Equity in net income of Piper					1,644 (3)	1,644	(1,846)(3)	(1,846)
Minority interest								
Income before extraordinary item	3,488	3,863	(314)	3,174	354	3,842	(3,170)	4,181
Extraordinary item								
Net income	3,488	3,863	(314)	3,174	354	3,842	(3,170)	4,181
Dividends on preferred stock (other	1,219			1,219		1,219		1,219
	$ 2,269	$ 3,863	($ 314)	$ 1,955	$ 354	$ 2,623	($ 3,170)	$ 2,962
	2,761,277*		401,469 (7)	2,962,546	401,469 (7)	2,962,546	1,074,510 (7)	3,635,587
	$.99			$.66		$.89		$.81
	-			-		-		-
	$.99			$.66		$.89		$.81
	$.91			$.61		$.71		$.69
	-			-		-		-
	$.91			$.61		$.71		$.69

*Adjusted for stock dividends through September, 1970.

CHRIS-CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

PRO FORMA STATEMENTS OF INCOME
(Thousands of dollars)

	Chris-Craft Twelve months ended December 31, 1967	Piper Twelve months ended September 30, 1967	Pro forma assuming ownership of 697,495 shares of Piper — Investment at cost: Adjustments	Pro forma	Pro forma assuming ownership of 697,495 shares of Piper — Investment at equity: Adjustments	Pro forma	Pro forma assuming ownership of 856,206 shares of Piper: Consolidated Adjustments	Pro forma
Operating revenues:								
Sales of manufactured products	$ 72,205	$80,439		$ 72,205		$ 72,205		$ 152,644
Television revenues	13,572			13,572		13,572		13,572
	85,777	80,439		85,777		85,777		166,216
Operating expenses:								
Cost of manufactured products sold	59,649	66,359		59,649		59,649		126,008
Television expenses	7,509			7,509		7,509		7,509
Selling, general and administrative	10,998	8,206		10,998		10,998		19,204
	78,156	74,565		78,156		78,156		152,721
Operating income	7,621	5,874		7,621		7,621		13,495
Other income (expense)	(1,124)	(265)	($ 2,395)(6) 976 (2)	(2,543)	($ 2,395)(6)	(3,519)	($ 2,420)(6)	(3,809)
Income before federal income taxes, minority (equity) interest and extraordinary item	6,497	5,609	(1,419)	5,078	(2,395)	4,102	(2,420)	9,686
Federal income taxes	2,956	2,618	(1,080)(6)	1,876	(1,080)(6)	1,876	(1,075)(6)	4,499
Income before minority (equity) interest and extraordinary item	3,541	2,991	(339)	3,202	(1,315)	2,226	(1,345)	5,187
Equity in net income of Piper					1,274 (3)	1,274		
Minority interest							(1,428)(3)	(1,428)
Income before extraordinary item	3,541	2,991	(339)	3,202	(41)	3,500	(2,773)	5,759
Extraordinary item net of tax	439			439		439		439
Net income	3,980	2,991	(339)	3,641	(41)	3,939	(2,773)	4,198
Dividend requirements on preferred stock (other than common equivalents)	967			967		967		967
Net income applicable to common stock and common stock equivalents	$ 3,013	$ 2,991	($ 339)	$ 2,674	($ 41)	$ 2,972	($ 2,773)	$ 3,231
Average outstanding shares of common stock (and common stock equivalents)	2,732,500*		401,469 (7)	3,133,969	401,469 (7)	3,133,969	1,074,510 (7)	3,807,010
Net income per share of common stock (and common stock equivalents):								
Income before extraordinary item	$ .94			$.71		$.81		$.73
Extraordinary item, net of tax	.16			.14		.14		.12
Net income	$1.10			$.85		$.95		$.85

*Adjusted for stock dividends through September, 1970.

1199

EXHIBIT II
1967

CHRIS-CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

PRO FORMA STATEMENTS OF INCOME
(Thousands of dollars)

	Chris-Craft Twelve months ended December 31, 1966	Piper Twelve months ended September 30, 1966	Pro forma assuming ownership of 697,495 shares of Piper				Pro forma assuming ownership of 856,206 shares of Piper	
			Investment at cost		Investment at equity		Consolidated	
			Adjustments	Pro forma	Adjustments	Pro forma	Adjustments	Pro forma
Operating revenues:								
Sales of manufactured products	$ 67,784	$81,313		$ 67,784		$ 67,784		$149,097
Television revenues	12,136			12,136		12,136		12,136
	79,920	81,313		79,920		79,920		161,233
Operating expenses:								
Cost of manufactured products sold	54,509	61,266		54,509		54,509		115,775
Television expenses	6,756			6,756		6,756		6,756
Selling, general and administrative	10,475	7,292		10,475		10,475		17,767
	71,740	68,558		71,740		71,740		140,298
Operating income	8,180	12,755		8,180		8,180		20,935
Other income (expense)	(891)	343	($ 2,368)(6)	(2,213)	($ 2,368)(6)	(3,259)	($ 2,382)(6)	(2,930)
			1,046 (2)					
Income before federal income taxes, minority (equity) interest and extraordinary item	7,289	13,098	(1,322)	5,967	(2,368)	4,921	(2,382)	18,005
Federal income taxes	3,286	6,227	(1,062)(6)	2,224	(1,062)(6)	2,224	(1,052)(6)	8,461
Income before minority (equity) interest and extraordinary item	4,003	6,871	(260)	3,743	(1,306)	2,697	(1,330)	9,544
Equity in net income of Piper					2,944 (3)	2,944	(3,258)(3)	(3,258)
Minority interest								
Income before extraordinary item	4,003	6,871	(260)	3,743	1,638	5,641	(4,588)	6,286
Extraordinary item net of tax	962			962		962		962
Net income	4,965	6,871	(260)	4,705	1,638	6,603	(4,588)	7,248
Dividend requirements on preferred stock (other than common equivalents)	915			915		915		915
Net income applicable to common stock and common stock equivalents	$ 4,050	$ 6,871	($ 260)	$ 3,790	$ 1,638	$ 5,688	($ 4,588)	$ 6,333
Average outstanding shares of common stock (and common stock equivalents)	3,434,226*		401,469 (7)	3,835,695	401,469 (7)	3,835,695	1,074,510(7)	4,508,736
Net income per share of common stock (and common stock equivalents):								
Income before extraordinary item	$.90			$.74		$1.23		$1.19
Extraordinary item, net of tax	.28			.25		.25		.21
Net income	$1.18			$.99		$1.48		$1.40

*Adjusted for stock dividends through September, 1970.

1200

EXHIBIT II
1966

CHRIS-CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

PRO FORMA STATEMENTS OF INCOME
(Thousands of dollars)

	Chris-Craft Twelve months ended December 31, 1965	Piper Twelve months ended September 30, 1965	Pro forma assuming ownership of 697,495 shares of Piper — Investment at cost: Adjustments	Pro forma	Pro forma assuming ownership of 697,495 shares of Piper — Investment at equity: Adjustments	Pro forma	Pro forma assuming ownership of 856,206 shares of Piper: Consolidated Adjustments	Pro forma
Operating revenues:								
Sales of manufactured products	$ 70,874	$69,086		$ 70,874		$ 70,874		$ 139,960
Television revenues	12,660			12,660		12,660		12,660
	83,534	69,086		83,534		83,534		152,620
Operating expenses:								
Cost of manufactured products sold	56,523	51,568		56,523		56,523		108,091
Television expenses	6,866			6,866		6,866		6,866
Selling, general and administrative	10,167	5,895		16,062		10,167		16,062
	73,556	57,463		73,556		73,556		131,019
Operating income	9,978	11,623		9,978		9,978		21,601
Other income (expense)	(1,616)	275	($ 2,193)(6) 942 (2)	(2,867)	($ 2,193)(6)	(3,809)	($ 2,198)(6)	(3,539)
Income before federal income taxes, minority (equity) interest and extraordinary item	8,362	11,898	(1,251)	7,111	(2,193)	6,169	(2,198)	18,062
Federal income taxes	3,951	5,700	(985)(6)	2,966	(985)(6)	2,966	(972)(6)	8,679
Income before minority (equity) interest and extraordinary item	4,411	6,198	(266)	4,145	(1,208)	3,203	(1,226)	9,383
Equity in net income of Piper					2,663 (3)	2,663	(2,928)(3)	2,928
Minority interest	4,411	6,198	(266)	4,145	1,455	5,866	(4,154)	6,455
Income before extraordinary item	203			203		203		203
Extraordinary item, net of tax**	4,614	6,198	(266)	4,348	1,455	6,069	(4,154)	6,658
Net income	964			964		964		964
Dividend requirements on preferred stock (other than common stock equivalents)	$ 3,650	$ 6,198	($ 266)	$ 3,384	$ 1,455	$ 5,105	($ 4,154)	$ 5,694
Net income applicable to common stock and common stock equivalents	3,490,166*		401,469 (7)	3,891,635	401,469 (7)	3,891,635	1,074,510 (7)	4,564,676
Average outstanding shares of common stock (and common stock equivalents)								
Net income per share of common stock (and common stock equivalents):								
Income before extraordinary item	$ .99			$.82		$1.26		$1.20
Extraordinary item, net of tax	.06			.05		.05		.05
Net income	$1.05			$.87		$1.31		$1.25

*Adjusted for stock dividends through September, 1970.
**Includes loss of $11,000 from discontinued operations.

1201

EXHIBIT II
1965

CHRIS - CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

CONDENSED PRO FORMA BALANCE SHEET
(Thousands of dollars)

	Chris-Craft	Piper	Pro forma assuming ownership of 697,495 shares of Piper				Pro forma assuming ownership of 856,206 shares of Piper	
			Investment at cost		Investment at equity		Consolidated	
	August 31, 1970	September 30, 1970	Adjustments	Pro forma	Adjustments	Pro forma	Adjustments	Pro forma
Current assets:								
Cash and marketable securities	$ 6,988	$ 3,711	($1,120)(5) 4,287 (2) (5,591)(6)	$ 4,564	($ 1,120)(5) 4,287 (2) (5,591)(6)	$ 4,564	$ 5,408 (2) (30)(1) (3,376)(5) (5,810)(6)	$ 6,891
Other current assets	40,349	41,538		40,349		40,349		81,887
	47,337	45,249	(2,424)	44,913	(2,424)	44,913	(3,808)	88,778
Investment in Piper Aircraft Corporation	46,051			46,051	(4,916)(2) 10,231 (3)	51,366	12,244 (1) (58,295)(4)	
Property, plant and equipment, net	18,923	15,051		18,923		18,923		33,974
Intangible assets	27,016			27,016		27,016	45,470 (4)	72,486
Other investment, film contract rights and other assets	10,691	262	(116)(6)	10,575	(116)(6)	10,575	(116)(6)	10,837
	$150,018	$60,562	($2,540)	$147,478	$ 2,775	$152,793	($ 4,505)	$206,075
Current liabilities	$ 18,913	$13,179		$ 18,913		$ 18,913		$ 32,092
Long-term debt	59,133	10,000		59,133		59,133		69,133
Other noncurrent liabilities	8,385	304		8,385		8,385		8,689
Minority interest							11,815 (4) 11,390 (3) (5,472)(2)	17,733
Stockholders' investment:								
Preferred stock	17,957*			17,957*		17,957*	12,214 (1)	30,171*
Common stock	2,693	1,645		2,693		2,693	(1,645)(4)	2,693
Capital surplus	35,478	9,247		35,478		35,478	(9,247)(4)	35,478
Retained earnings	7,459	26,187	($1,120)(5) 4,287 (2) (5,707)(6)	4,919	($ 1,120)(5) 10,231 (3) (5,707)(6) (629)(2)	10,234	(13,748)(4) (11,390)(3) 10,880 (2) (5,926)(6) (3,376)(5)	10,086
	63,587	37,079	(2,540)	61,047	2,775	66,362	(22,238)	78,428
	$150,018	$60,562	($2,540)	$147,478	$ 2,775	$152,793	($ 4,505)	$206,075

*Liquidating value of preferred stock is $3,148,000 in excess of stated value at August 31, 1970.

1202

EXHIBIT III
1970

CHRIS - CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

CONDENSED PRO FORMA BALANCE SHEET
(Thousands of dollars)

	Chris-Craft	Piper	Pro forma assuming ownership of 697,495 shares of Piper				Pro forma assuming ownership of 856,206 shares of Piper	
			Investment at cost		Investment at equity		Consolidated	
	August 31, 1969	September 30, 1969	Adjustments	Pro forma	Adjustments	Pro forma	Adjustments	Pro forma
Current assets:								
Cash and marketable securities	$14,086	$ 3,450	($1,120)(5) (183)(1) 4,287 (2) (5,509)(6)	$ 11,561	($ 1,120)(5) (183)(1) 4,287 (2) (5,509)(6)	$ 11,561	($ 3,000)(5) (213)(1) 5,408 (2) (5,684)(6)	$ 14,047
Other current assets	40,759	46,400		40,759		40,759		87,159
	54,845	49,850	(2,525)	52,320	(2,525)	52,320	(3,489)	101,206
Investment in Piper Aircraft Corporation	45,888		183 (1)	46,051	183 (1) (4,916)(2) 10,560 (3)	51,695	183 (1) 12,244 (1) (58,295)(4)	
Property, plant and equipment, net	19,591	15,045		19,591		19,591		34,636
Intangible assets	27,399			27,399		27,399	45,470 (4)	72,869
Other investment, film contract rights and other assets	15,914	241	(116)(6)	15,798	(116)(6)	15,798	(116)(6)	16,039
	$163,617	$65,136	($2,458)	$161,159	$ 3,186	$166,803	($ 4,003)	$224,750
Current liabilities	$ 36,827	$16,963		$ 36,827		$ 36,827		$ 53,790
Long-term debt	45,873	10,000		45,873		45,873		55,873
Other noncurrent liabilities	5,451	318		5,451		5,451		5,769
Minority interest							11,815 (4) 11,762 (3) (5,472)(2)	18,105
Stockholders' investment:								
Preferred stock	21,323*			21,323*		21,323*	12,214 (1)	33,537*
Common stock	2,501	1,645		2,501		2,501	(1,645)(4)	2,501
Capital surplus	29,747	9,247		29,747		29,747	(9,247)(4)	29,747
Retained earnings	21,895	26,963	(5,625)(6) 4,287 (2) (1,120)(5)	19,437	(5,625)(6) 10,560 (3) (1,120)(5) (629)(2)	25,081	(11,762)(3) 10,880 (2) (13,748)(4) (3,000)(5) (5,800)(6)	25,428
	75,466	37,855	(2,458)	73,008	3,186	78,652	(22,108)	91,213
	$163,617	$65,136	($2,458)	$161,159	$ 3,186	$166,803	($ 4,003)	$224,750

*Liquidating value of preferred stock is $3,179,000 in excess of stated value at August 31, 1969.

1203

EXHIBIT III
1969

CHRIS - CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

CONDENSED PRO FORMA BALANCE SHEET
(Thousands of dollars)

	Chris-Craft	Piper	Pro forma assuming ownership of 697,495 shares of Piper				Pro forma assuming ownership of 856,206 shares of Piper	
			Investment at cost		Investment at equity		Consolidated	
	August 31, 1968	September 30, 1968	Adjustments	Pro forma	Adjustments	Pro forma	Adjustments	Pro forma
Current assets:								
Cash and marketable securities	$ 14,745	$ 4,501	$ 3,940 (2) (896)(5) (5,003)(6)	$ 12,786	$3,940 (2) (896)(5) (5,003)(6)	$ 12,786	$ 4,838 (2) (2,400)(5) (5,109)(6)	$ 16,575
Other current assets	31,552	37,396		31,552		31,552		68,948
	46,297	41,897	(1,959)	44,338	(1,959)	44,338	(2,671)	85,523
Investment in Piper Aircraft Corporation			46,051 (1)	46,051	(3,940)(2) 46,051 (1) 8,525 (3)	50,636	58,295 (1) (58,295)(4)	
Property, plant and equipment, net	19,304	12,062		19,304		19,304		31,366
Intangible assets	27,572			27,572		27,572	45,576 (4)	73,148
Other investment, film contract rights and other assets	16,933	211	(116)(6) 442 (1)	17,259	(116)(6) 442 (1)	17,259	(116)(6) 442 (1)	17,470
	$110,106	$54,170	$44,418	$154,524	$49,003	$159,109	$43,231	$207,507
Current liabilities	$ 16,676	$ 9,100	$13,484 (1)	$ 30,160	$13,484 (1)	$ 30,160	$13,514 (1)	$ 39,290
Long-term debt	22,125	10,000	25,723 (1)	47,848	25,723 (1)	47,848	25,723 (1)	57,848
Other noncurrent liabilities	4,691			4,691		4,691		4,691
Minority interest							11,638 (4) 9,460 (3) (4,372)(2)	16,726
Stockholders' investment:								
Preferred stock	20,453*		7,286 (1)	27,739*	7,286 (1)	27,739*	19,500 (1)	39,953*
Common stock	2,147	1,640		2,147		2,147	(1,640)(4)	2,147
Capital surplus	23,689	8,969		23,689		23,689	(8,969)(4)	23,689
Retained earnings	20,325	24,461	3,940 (2) (896)(5) (5,119)(6)	18,250	8,525 (3) (896)(5) (5,119)(6)	22,835	(13,748)(4) (9,460)(3) 9,210 (2) (2,400)(5) (5,225)(6)	23,163
	66,614	35,070	5,211	71,825	9,796	76,410	(12,732)	88,952
	$110,106	$54,170	$44,418	$154,524	$49,003	$159,109	$43,231	$207,507

*Liquidating value of preferred stock is $4,726,000 in excess of stated value at August 31, 1968.

1204

EXHIBIT III
1968

CHRIS - CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

CONDENSED PRO FORMA BALANCE SHEET
(Thousands of dollars)

	Chris-Craft December 31, 1967	Piper September 30, 1967	Pro forma assuming ownership of 697,495 shares of Piper — Investment at cost: Adjustments	Pro forma	Pro forma assuming ownership of 697,495 shares of Piper — Investment at equity: Adjustments	Pro forma	Pro forma assuming ownership of 856,206 shares of Piper — Consolidated: Adjustments	Pro forma
Current assets:								
Cash and marketable securities	$ 16,769	$ 3,715	($ 3,742)(6) 2,964 (2) (672)(5)	$ 15,319	($ 3,742)(6) 2,964 (2) (672)(5)	$ 15,319	($ 3,814)(6) 3,639 (2) (1,800)(5)	$ 13,509
Other current assets	33,297	36,652		33,297		33,297		69,949
	50,066	40,367	(1,458)	48,616	(1,458)	48,616	(1,975)	83,458
Investment in Piper Aircraft Corporation			46,051 (1)	46,051	(2,964)(2) 46,051 (1) 6,881 (3)	49,968	58,295 (1) (58,295)(4)	
Property, plant and equipment, net	17,709	11,513		17,709		17,709		29,222
Intangible assets	28,328			28,328		28,328	45,581 (4)	73,909
Other investment, film contract rights and other assets	16,073	142	(87)(6) 442 (1)	16,428	(87)(6) 442 (1)	16,428	(87)(6) 442 (1)	16,570
	$112,176	$52,022	$44,956	$157,132	$48,873	$161,049	$43,961	$208,159
Current liabilities	$ 16,229	$ 8,547	$13,484 (1)	$ 29,713	$13,484 (1)	$ 29,713	$13,514 (1)	$ 38,290
Long-term debt	38,178	10,000	25,723 (1)	63,901	25,723 (1)	63,901	25,723 (1)	73,901
Other noncurrent liabilities	3,309			3,309		3,309		3,309
Minority interest							11,616 (4) 7,614 (3) (3,276)(2)	15,954
Stockholders' investment:								
Preferred stock	18,101*		7,286 (1)	25,387*	7,286 (1)	25,387*	19,500 (1)	37,401*
Common stock	1,938	1,638		1,938		1,938	(1,638)(4)	1,938
Capital surplus	14,639	8,944		14,639		14,639	(8,944)(4)	14,639
Retained earnings	19,782	22,893	(3,829)(6) 2,964 (2) (672)(5)	18,245	(3,829)(6) 6,881 (3) (672)(5)	22,162	(7,614)(3) 6,915 (2) (13,748)(4) (1,800)(5) (3,901)(6)	22,527
	54,460	33,475	5,749	60,209	9,666	64,126	(11,230)	76,705
	$112,176	$52,022	$44,956	$157,132	$48,873	$161,049	$43,961	$208,159

*Liquidating value of preferred stock is $3,862,000 in excess of stated value at December 31, 1967.

120

EXHIBIT III
1967

CHRIS-CRAFT INDUSTRIES, INC. AND SUBSIDIARIES
AND
PIPER AIRCRAFT CORPORATION AND SUBSIDIARY

PRO FORMA ADJUSTMENTS

The pro forma adjustments consist of the following:

(1) To record the investment in Piper as of January 1, 1965 as indicated below.

(2) To reflect the dividends paid by Piper attributable to the shares assumed to be held by Chris-Craft and on the consolidated basis to those shares held by minority stockholders. Dividends of $629,000 received by Chris-Craft in 1969 have been eliminated from consolidated income in order that such amounts will not be included twice.

(3) To record Chris-Craft's proportionate equity in the net income of Piper where the investment is assumed to be carried at equity and on the consolidated basis to record the equity of the minority shareholders in the net income of Piper.

(4) Elimination of stockholders' investment accounts of Piper and recording of the minority interest applicable to the shares not assumed to have been acquired by Chris-Craft.

(5) To record dividends on Chris-Craft's $2.00 convertible preferred stock assumed to have been issued as of January 1, 1965.

(6) To record interest expense on the cash portion of the cost of shares assumed to have been purchased as described below. Other income has also been reduced by the estimated loss of income which would have resulted from the outflow of funds to carry the investment, consisting of interest expense and dividends on the $2.00 convertible preferred stock, in excess of the dividends received from Piper. The reduction in federal income taxes applicable thereto has been reflected at the maximum rate then in effect.

(7) Common stock equivalents of $2.00 convertible preferred stock assumed to have been issued as of January 1, 1965, convertible into 3.5817 shares of common stock as of August 31, 1970.

The pro forma adjustments have been made on the assumption that the shares of Piper were acquired by Chris-Craft as of January 1, 1965. The costs of such shares have been computed as follows:

	697,495 shares	856,206 shares
556,206 Piper shares which were purchased by Chris-Craft for cash prior to Chris-Craft's July 24, 1969 exchange offer. These purchases were financed through the issuance of $25,723,200 of 6% convertible subordinated debentures sold by Chris-Craft in December 1968 and from the proceeds of demand bank loans made to Chris-Craft in February 1969	$35,325	$35,325
112,089 Piper shares which were acquired by Chris-Craft in its July 24, 1969 exchange offer for up to 300,000 Piper shares. In exchange for each Piper share actually acquired Chris-Craft issued 1 share of $2.00 convertible preferred stock ($65 stated value), 6 common stock purchase warrants and $10 cash	8,407	8,407
187,911 Piper shares representing the balance of the 300,000 Piper shares which Chris-Craft committed to acquire in the July 24, 1969 exchange offer but which were not tendered by Piper stockholders. Chris-Craft's cost was computed as if such additional Piper shares had been tendered		14,093
29,200 Piper shares purchased by Chris-Craft for cash subsequent to August 4, 1969 when the exchange offer expired	1,849	
Other	470	470
	$46,051	$58,295

The excess of Chris-Craft's purchase price over the book value of the Piper net assets acquired is shown as an intangible asset and is not amortized.

Interest rates used in the computation of the pro forma adjustments were 6% for the 6% convertible subordinated debentures, the prime rate in effect during the periods covered by these statements for notes payable to banks. Regulation Q interest rate ceilings for certificates of deposit were used to estimate the reduction in other income from the average outflow of funds during each period.

The equity method was applied to the assumed investment in 697,495 shares of Piper. This method was applied as outlined in the Exposure Draft, Proposed APB Opinion: The Equity Method of Accounting for Investments in Common Stock, dated December 18, 1970, issued by the Accounting Principles Board of the American Institute of Certified Public Accountants, as it applied to investments made prior to November 1, 1970. The equity method was not retroactively applied for Chris-Craft's 50% interest in Montrose Chemical Corporation of California, carried at cost in the published financial statements of Chris-Craft, in order to present only the effect of the assumed acquisition of Piper shares on the financial statements of Chris-Craft.

ONLY COPY AVAILABLE